

RECORDATION NO 16623/A
FILED 1425

WHITE & CASE NOV 22 1989 -1 05 PM

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WASHINGTON, D C
333 SOUTH HOPE STREET, LOS ANGELES
200 SOUTH BISCAYNE BOULEVARD, MIAMI
20 PLACE VENDÔME, PARIS
66 GRESHAM STREET, LONDON
BIRGER JARLSGATAN 14 STOCKHOLM

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NEW YORK, NEW YORK 10036-2787
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INTERSTATE COMMERCE COMMISSION

20-5 ICHIBANCHO, CHIYODA-KU, TOKYO
15 QUEEN'S ROAD CENTRAL, HONG KONG
50 RAFFLES PLACE, SINGAPORE
CUMHURİYET CADDESİ 12/10, ISTANBUL
ZIYA UR RAHMAN CADDESİ 17/5 ANKARA
2013 WALI AL-AHD (P O BOX 2256), JEDDAH

NOV 22 1989 -1 05 PM

GJC:DH INTERSTATE COMMERCE COMMISSION 326A032

November 22, 1989

re Documents for Recordation, 49 USC Section 11303

Office of the Secretary
Recordations Unit, Room 2302
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO 16623
FILED 1425

NOV 22 1989 -1 05 PM

INTERSTATE COMMERCE COMMISSION

Attention: Ms. Mildred Lee

Dear Ms. Lee:

Enclosed herewith are an original and two counter-
parts of each of the three documents described below, to be
recorded today pursuant to Section 11303 of Title 49 of the
U.S. Code.

The first document, identified as "Lease Agree-
ment", dated as of October 30, 1989, is a lease and is a
primary document.

The names and addresses of the parties to such
documents are as follows:

LESSOR: The Connecticut National Bank
777 Main Street
Hartford, CT 06115

LESSEE: The B.F. Goodrich Company
3925 Embassy Parkway
Akron, OH 44313

A short summary of the document to appear in the
Index should be as follows:

Copy to [illegible]

Lease Agreement dated as of October 30, 1989 between The Connecticut National Bank, not in its individual capacity but solely as trustee, Lessor, and The B.F. Goodrich Company, Lessee, covering up to 380 covered hopper railcars (100 ton), from series identified by the Lessee as: BFGX 1550 to 1749 and BFGX 1750 to 1929.

The second document, identified as "Indenture and Security Agreement", dated as of October 30, 1989, is a loan agreement, and is a ~~primary~~ document which is being filed concurrently with the above-referenced primary document to which recordation numbers have not yet been assigned.

The names and addresses of the parties to such document are as follows:

LESSOR: The Connecticut National Bank
777 Main Street
Hartford, CT 06115

INDENTURE CONTINENTAL BANK, NATIONAL ASSOCIATION
TRUSTEE: 231 South LaSalle Street
Chicago, Illinois 60697

A short summary of the document to appear in the Index should be as follows:

Indenture and Security Agreement dated as of October 30, 1989 between The Connecticut National Bank, not in its individual capacity but as Owner Trustee, Lessor, and Continental Bank, National Association, not in its individual capacity but as Indenture Trustee, covering up to 380 covered hopper railcars (100 ton), from series identified by the Lessee as: BFGX 1550 to 1749 and BFGX 1750 to 1929.

The third document, identified as "Lease and Indenture Supplement No. 1", dated November 22, 1989 is a supplement to the Lease Agreement and the Indenture and Security Agreement, and is a secondary document which is being filed concurrently with the above-referenced primary document to which recordation numbers have not yet been assigned.

The names and addresses of the parties to such document are as follows:

LESSOR/OWNER The Connecticut National Bank
TRUSTEE: 777 Main Street
 Hartford, CT 06115

LESSEE: The B.F. Goodrich Company
 3925 Embassy Parkway
 Akron, OH 44313

INDENTURE
TRUSTEE: Continental Bank, National
 Association
 231 Lasalle Street
 Chicago, Illinois 60697

A description of the equipment covered by the document is attached hereto as Schedule A.

A short summary of the document to appear in the Index should be as follows:

Lease and Indenture Supplement No. 1 dated November 22, 1989 among The Connecticut National Bank, not in its individual capacity but as Lessor/Owner Trustee, The B.F. Goodrich Company, Lessee and Continental Bank, National Association, not in its individual capacity but as Indenture Trustee, covering 200 covered hopper railcars (100 ton).

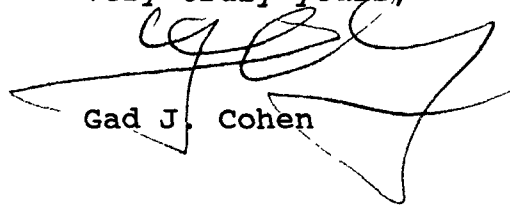
A check for the required recordation fee of ^{45.00}~~\$35.00~~ is enclosed. Please return the originals and any extra copies not needed by the Commission for recordation to the undersigned.

Ms. Mildred Lee

-4

The undersigned certifies that he is acting as counsel to The B.F. Goodrich Company, as Lessee, for purposes of this filing and that he has knowledge of the matters set forth in the above-described documents.

Very truly yours,



Gad J. Cohen

Enclosures

cc: Casimir C. Patrick, III, Esq.
Clifford J. Hendel, Esq.
Harriet Robinson, Esq.

SCHEDULE A

<u>Quantity of Railcars</u>	<u>Serial Numbers</u>
111	BFGX 1550- 1608; 1610- 1644; 1646- 1649; 1652- 1655; 1658; 1663; 1665- 1666; 1668- 1670; 1672; 1674.
14	BFGX 1609; 1645; 1650- 1651; 1656- 1657; 1659- 1662; 1664; 1667; 1671; 1673.
50	BFGX 1675- 1699; 1702; 1704-1706; 1708-1710; 1715; 1721; 1726; 1728; 1730-1732; 1737-1746; 1748.
25	BFGX 1700- 1701; 1703; 1707; 1711- 1714; 1716- 1720; 1722- 1725; 1727 1729; 1733- 1736; 1747; 1749.

Interstate Commerce Commission
Washington, D.C. 20423

11/22/89

OFFICE OF THE SECRETARY

Gad J, Cohen
White & Case
1155 Avenue Of The Americas
New York, N.Y. 10036-2787

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/22/89 at 1:05pm and assigned recordation number(s). 16623, 16623-A & 16623-B

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

RECORDATION NO **16623** FILED 11/23

NOV 22 1989 -1 05 PM

INTERSTATE COMMERCE COMMISSION

LEASE AGREEMENT

Dated as of October 30, 1989

between

THE CONNECTICUT NATIONAL BANK,
as Owner Trustee,
as Lessor

and

THE B.F. GOODRICH COMPANY,
as Lessee

380 ACF 100-TON COVERED HOPPER CARS

CERTAIN RIGHTS, TITLE AND INTEREST IN AND TO THIS LEASE AGREEMENT AND TO THE RAILCARS COVERED HEREBY ON THE PART OF THE CONNECTICUT NATIONAL BANK, AS OWNER TRUSTEE, HAVE BEEN ASSIGNED TO AND ARE SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF CONTINENTAL BANK, NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE UNDER AN INDENTURE AND SECURITY AGREEMENT DATED AS OF OCTOBER 30, 1989. TO THE EXTENT, IF ANY, THAT THIS LEASE AGREEMENT CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE AGREEMENT MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY CONTINENTAL BANK, NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE, ON THE SIGNATURE PAGE THEREOF.

FILED WITH THE INTERSTATE COMMERCE COMMISSION
PURSUANT TO 49 U.S.C. { 11303
ON NOVEMBER __, 1989 AT _____: __.M.
RECORDATION NUMBER _____

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Schedule 1 -- Basic Rent
Schedule X -- Definitions

Exhibit A -- Form of Lease and Indenture Supplement

LEASE AGREEMENT dated as of October 30, 1989 between THE CONNECTICUT NATIONAL BANK, a national banking association organized under the laws of the United States, not in its individual capacity but solely as trustee under the Trust Agreement (as defined in Schedule X hereto) (the "Lessor") and THE B.F. GOODRICH COMPANY, a New York corporation (the "Lessee").

The Lessor and the Lessee agree as follows:

SECTION 1. Definitions. The following terms shall have the following meanings for all purposes of this Lease:

(a) unless otherwise expressly provided, all references herein to Sections or other subdivisions refer to the corresponding Sections and other subdivisions of this Lease;

(b) the terms "hereof," "herein," "hereby," "hereto," "hereunder," "hereinafter" and "herewith" refer to this Lease; and

(c) all terms used herein which are defined in or by reference in Schedule X hereto (including all terms defined by reference therein to other instruments or to Sections and other subdivisions of this Lease) shall have the respective meanings stated or referred to in said Schedule X.

SECTION 2. Purchase and Lease; Redelivery and Storage; Purchase Option; Renewal Term. (a) Purchase and Lease. Effective on each Closing Date, if the conditions set forth in Sections 5 and 6 (as the case may be) of the Participation Agreement have been satisfied, (i) the Lessor shall purchase from the Lessee the Railcars described in the Bill of Sale delivered on such date, (ii) the Lessor shall be deemed to have tendered delivery of such Railcars for lease to the Lessee and the Lessee shall be deemed to have accepted delivery thereof, (iii) the Lessor shall lease such Railcars to the Lessee and the Lessee shall lease such Railcars from the Lessor under this Lease for the Rent and Lease Term hereinafter stipulated (subject to the exercise of the renewal option as provided herein for the Renewal Term and upon the terms and conditions herein set forth) and (iv) the Lessor and the Lessee shall conclusively evidence that such Railcars have been made subject to this Lease by

executing and delivering a Lease and Indenture Supplement substantially in the form attached as Exhibit A hereto covering the Railcars so purchased and leased.

(b) Redelivery and Storage. If the Lessor shall rightfully demand possession of the Railcars pursuant to Section 15 hereof or at the expiration of the term hereof, the Lessee shall forthwith return the Railcars to the Lessor. Accordingly, the Lessee shall:

(a) assemble the Railcars and place them in storage on storage tracks owned or leased by the Lessee within the United States or in any other reasonable location, in either case as is mutually agreeable to the Lessee and the Lessor; and

(b) permit the Lessor to store all or part of the Railcars (but in no event less than 50 Railcars per location) in such storage locations until the earlier of (i) the date such Railcars are sold, leased or otherwise disposed of by the Lessor or (ii) 180 days from the delivery of all Railcars being returned to Lessor to the designated storage locations, as the case may be.

The assembling and storing of the Railcars as hereinabove provided shall be at the expense of the Lessee and are of the essence with respect to this Lease. On application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of Lessee to assemble and store the Railcars. During any storage period, the Lessee shall permit the Lessor or any person designated by it, including the authorized representatives of any prospective purchaser of any Railcar, to inspect the same. The Lessor shall be responsible for and agrees to indemnify and hold the Lessee harmless from any claims, demands, liabilities or expenses arising out of the inspection of the Railcars by the Lessor, the Lessor's agent or prospective purchasers/users as provided in the foregoing sentence, unless such claim, demand, liability or expense is the result of the Lessee's gross negligence or willful misconduct. All rental, per diem or similar charges earned in respect of the use, lease or rental of the Railcars after the date of expiration of this Lease shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor.

Without limiting its obligations under this Section 2(b), the Lessee irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Railcar to the Lessor, to demand and take possession thereof in the name and on behalf of the Lessee from whomever shall be in possession of such Railcar at such time.

(c) Condition Upon Re-delivery. Any Railcar delivered to the Lessor hereunder shall have all accessories and parts installed thereon as were installed at the commencement of the term hereof (or replacements therefor), shall be equipped with all accessions thereto, and shall be in as good condition, state of repair and appearance as when delivered to the Lessee, ordinary wear and tear excepted and with such changes or alterations as permitted by Section 7, including a serviceable lining, suitable for the transport of items normally transported by railcars of similar design, size and age, conforming to all applicable Department of Transportation, Federal Railroad Association (or successor agency) safety rules and regulations, and meeting the interchange rules, or if none are then in effect, the interchange rules last in effect. Lessee shall pay for any reasonable cost necessary to effect the repairs necessary to restore any Railcar to such condition, whether made by the Lessee prior to redelivery or by Lessor thereafter. The term "ordinary wear and tear" shall not be construed as permitting any broken or missing items or components of any Railcar. The Lessee shall remove all markings using methods approved by the Lessor and specified to the Lessee at least 60 days prior to the expiration of the term of the Lease. The Lessee shall also deliver to the Lessor with each Railcar, all manuals and inspection, modification, overhaul and maintenance records applicable to such Railcar.

(d) Purchase at Expiration of Lease Term; Renewal Term. (i) The Lessee shall, by notice to the Lessor and the Owner Participant at any time not less than 270 days prior to the expiration of the Basic Term, cause a determination of the Fair Market Sale Value of the Railcars then subject to this Lease to be made in accordance with the Appraisal Procedure, provided that the making of such determination pursuant to this clause (i) shall not be deemed an election by the Lessee to purchase the Railcars pursuant to the provisions of this paragraph (d).

(ii) The Lessee is hereby granted the option, provided that no Lease Default or Lease Event of Default

shall have occurred and be continuing, to purchase all, but not less than all, of the Railcars then subject to this Lease at the expiration of the Basic Term for an amount (the "Purchase Price") as provided in the next succeeding sentence. The Purchase Price shall be an amount equal to the Fair Market Sale Value of the Railcars then subject to this Lease, provided, however, that if such Fair Market Sale Value is less than 35% of the Lessor's Cost of such Railcars, the Purchase Price shall be an amount equal to 35% of such Lessor's Cost, and if such Fair Market Sale Value is greater than 50% of the Lessor's Cost of such Railcars, the Purchase Price shall be an amount equal to 50% of such Lessor's Cost. In the event that the Lessee elects to purchase the Railcars, the Lessee shall (x) provide the Lessor with a notice irrevocably making such election at least 180 days prior to the expiration of the Basic Term and (y) pay to the Lessor, on the expiration of the Basic Term, an amount equal to the Purchase Price for such Railcars as provided above, and upon such payment and the payment by the Lessee of all Rent payable on or before such expiration date with respect to the Railcars (including, without limitation, the Basic Rent becoming due and payable on such expiration date), the Lessor shall transfer all its right, title and interest in and to such Railcars to the Lessee, without any representation, recourse or warranty on the part of the Lessor except that the Lessor shall warrant to the Lessee that such Railcars are free and clear of all Owner Encumbrances.

(iii) In the event the Lessee shall not have elected to purchase the Railcars pursuant to clause (ii), the Lessor shall have the right, and the Lessee shall have the obligation, should the Lessor exercise such right, to extend the term of this Lease for up to three years (the "Renewal Term"), such determination exercisable by irrevocable notice given by the Lessor to the Lessee not less than 90 days prior to the expiration of the Basic Term; provided, however, that in the event the Lessee shall provide a bona fide third party purchaser ready, willing and able to purchase the Railcars for the Purchase Price as provided in clause (ii) and the Lessor shall decline to accept such third party offer, then the Lessor shall not have the right to so extend the term of this Lease and this Lease shall expire upon the expiration of the Basic Term.

(iv) At the expiration of the Basic Term, in the event the Railcars are not purchased pursuant to this paragraph (d) and at the end of the Renewal Term, if any, the Lessee shall redeliver the Railcars in accordance with

the terms and conditions of Section 2(b). In addition, the Lessee will provide the Lessor with such reasonable assistance and advice as the Lessor may reasonably request in connection with the orderly return and disposition of the Railcars.

SECTION 3. Disclaimer of Warranties. (a) No Representation or Warranty. THE LESSEE ACKNOWLEDGES THAT (i) THE RAILCARS ARE OF DESIGN AND MANUFACTURE SELECTED BY THE LESSEE, (ii) THE RAILCARS ARE SUITABLE FOR THE LESSEE'S PURPOSES AND (iii) NEITHER THE LESSOR, THE OWNER PARTICIPANT, THE INDENTURE TRUSTEE NOR ANY LOAN PARTICIPANT IS A MANUFACTURER OR DEALER IN SUCH PROPERTY. THE LESSEE ACKNOWLEDGES THAT NONE OF THE OWNER PARTICIPANT, THE LESSOR, THE INDENTURE TRUSTEE NOR ANY HOLDER MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE DESIGN, OPERATION OR CONDITION OF THE RAILCARS OR AS TO THE TITLE, VALUE, CONDITION, DESIGN OR MERCHANTABILITY OF THE RAILCARS, OR AS TO THE FITNESS OF THE RAILCARS FOR ANY PARTICULAR USE OR PURPOSE, OR, EXCEPT AS SET FORTH IN SECTION 3(b), ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE RAILCARS AND UNDER NO CIRCUMSTANCES WHATSOEVER SHALL CNB OR THE LESSOR, THE OWNER PARTICIPANT, THE INDENTURE TRUSTEE OR ANY HOLDER BE LIABLE OR RESPONSIBLE TO THE LESSEE FOR ANY CONSEQUENTIAL DAMAGES.

(b) Title. Notwithstanding the provisions of the foregoing paragraph (a), the Lessor represents and warrants that on each Closing Date it will have whatever title to the Railcars being delivered on such date as has been conveyed to it on such date by the Lessee, subject to no Owner Encumbrances.

SECTION 4. Use and Operation of Railcars. During the Lease Term, so long as no Lease Event of Default shall have occurred and shall be continuing, the Lessee shall have the exclusive right to possession, control and full use of the Railcars leased hereunder and will use such Railcars in the general operation of its business in a manner consistent with their design and in compliance with Applicable Law, on lines over which the Lessee has trackage or unit train rights, and upon the lines of railroads in and outside of the United States in the usual interchange of traffic or in through-service; provided, that in no event shall more than ten percent of the Railcars subject to this Lease be located at any one time in Mexico. Such Railcars shall not be used to transport or store or otherwise be exposed to hazardous or corrosive substances or materials, or any other material

or substance the nature of which may adversely affect the insurance coverage or protection provided pursuant to Section 10 hereof.

SECTION 5. Maintenance. The Lessee, at its own expense and risk shall throughout the Lease Term maintain and repair the Railcars so as to keep the Railcars (1) in good operating order, repair and condition, reasonable wear and tear excepted (but with no broken, damaged or missing components), (2) in compliance with any and all Applicable Law and (3) so as to be fully eligible for AAR and suitable for normal interchange service generally, and in any event, at a level of maintenance comparable to that used on all similar owned or leased equipment in the Lessee's fleet and in accordance with all Manufacturer-recommended maintenance procedures. The Lessee agrees that it will not discriminate against any Railcar (as compared to other similar equipment owned by Lessee) with respect to its use, operation or maintenance in contemplation of the expiration or termination of this Lease. Notwithstanding the foregoing, the Lessee, in its discretion, may withdraw from service any Railcar for any reason and at any time, during which time the Lessee shall not be required to maintain or repair such Railcar; provided, however, that (x) the Lessee shall, at its own expense and risk, remain responsible for the preservation, safekeeping, use, operation and safe storage of such Railcar, (y) the Lessee's actions with respect to such Railcar shall not impair the value, utility, useful life or residual value that such Railcar would have had if such Railcar had been kept in service and maintained in accordance with this Section 5 and (z) the foregoing shall not affect the Lessee's obligation to return such Railcar in the condition specified in Section 2(c).

SECTION 6. Inspection. The Lessor, any Participant and the Indenture Trustee, or their authorized representatives, may at any time, upon reasonable notice and at their own risk and expense, inspect the Railcars and applicable maintenance and use records relating thereto, and the Lessee shall make the foregoing available to the Lessor, but neither the Lessor, any Participant nor the Indenture Trustee shall have any duty to do so; provided, however, that any such inspection shall in no way interfere with any repairs or maintenance or the use and operation of the Railcars; and provided further, that in exercising such right of inspection, (i) such party shall not unreasonably interfere with the Lessee's normal business operations and (ii) such party shall hold the Lessee harmless from any claims resulting from injury, loss or death sustained by

such party's representatives on the Lessee's premises during any such inspection except to the extent that any such injury, loss or death occurs as a direct result of the Lessee's negligence or willful misconduct.

SECTION 7. Improvements; etc. (a) Improvements. The Lessee shall make such Improvements to the Railcars as shall be required in order to comply with Section 5. In addition, the Lessee may make such other Improvements to the Railcars as the Lessee may deem desirable if they do not impair the value or utility or useful life of the Railcars, affect any applicable warranties or change their intended functions or violate any Applicable Law.

(b) Title; Removal of Severable Improvements. Title to each Nonseverable Improvement shall, without further act, vest in the Lessor. Title to each Severable Improvement shall, without further act, vest or remain, as the case may be, in the Lessee, and the Lessee at its own expense and risk shall have the right to remove any Severable Improvement to which the Lessee has title from the Railcars at any time during the Lease Term if such removal does not impair the value, utility or useful life (determined as if such Improvements had not been made) of the Railcars and assuming that any such Railcars were in the condition required by Section 5 hereof. Any Severable Improvement not so removed shall become the property of the Lessor. The Lessor shall have the right to purchase any Severable Improvements from the Lessee upon the expiration of the Lease Term in consideration of the payment to the Lessee of the Fair Market Sale Value thereof (as determined pursuant to the Appraisal Procedure).

(c) Removal of Property; Replacements. The Lessee may, in the ordinary course of maintenance or repair of any Railcar, remove any item of property constituting a part of such Railcar, and unless the permanent removal of such item is required by Section 5, the Lessee shall replace such item as promptly as possible by an item of property that is free and clear of all liens, encumbrances and rights of others (other than Permitted Encumbrances) and subject to the lien of the Indenture and in as good operating condition as, and with a value, utility and useful life at least equal to, the item of property being replaced. Any item of property removed from such Railcar as provided in the preceding sentence shall remain the property of the Lessor until replaced in accordance with the terms of said sentence, but shall then, without further act, become the property of the Lessee. Any such replacement property

shall, without further act, become the property of the Lessor and be deemed part of such Railcar for all purposes hereof, subject to the lien of the Indenture.

(d) Identification Marks. The Lessee will (i) cause, prior to a given Railcar becoming subject to the terms of this Lease, such Railcar to be kept numbered with the identifying number as set forth in Schedule 1 to the Lease and Indenture Supplement executed and delivered on the relevant Closing Date and (ii) keep and maintain, as soon as practicable (but in any event within 90 days) after such Railcar becomes subject to the terms of this Lease, plainly, distinctly, permanently and conspicuously marked on both sides of such Railcar in letters not less than one inch in height, the words "Owned by a bank or trust company and subject to a security agreement filed with the Interstate Commerce Commission" or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by Applicable Law in order to protect the title of the Lessor and the rights of the Lessor and the Indenture Trustee under the Operative Documents, and will replace promptly any such word or words which may be removed, defaced, obliterated or destroyed. The Lessee will not permit the identifying number of any Railcar to be changed except in accordance with a Lease amendment or statement of new identifying numbers to be substituted therefor, which Lease amendment or statement shall have been previously filed, recorded or deposited in all public offices where this Lease will have been filed, recorded and deposited. The Lessee shall have the right at its expense to display indicia of operation of any Railcar by the Lessee or any Affiliate of the Lessee and identify such Railcar with such name as the Lessee may elect.

SECTION 8. Liens. (a) Liens. None of the Lessee and any sublessee nor any other Person shall directly or indirectly have any right, power or authority to create, assume, incur or permit to exist any lien or security interest on or with respect to any Railcar, other than Permitted Encumbrances. The Lessee shall notify the Lessor promptly of the imposition of any such lien or security interest and shall promptly cause the same to be discharged, dismissed or removed, and in any event within 30 days after the Lessee first knows of the existence of any lien or security interest; provided, that notwithstanding the foregoing, the Lessee shall have the right to contest any such lien or security interest by Permitted Contest.

(b) Release of Liens. The Lessee agrees that it will at its own cost and expense promptly take such action as may be necessary duly to discharge any liens and security interests that are not Permitted Encumbrances or Owner Encumbrances or in the event that any Railcar shall be attached, levied upon or taken into custody, or detained or sequestered, by virtue of any proceeding in any court or tribunal, or by any governmental or other authority on account of any such lien or security interest, the Lessee shall cause such Railcar to be released and all such liens and security interests to be promptly discharged (except to the extent that the same shall be contested by the Lessee by Permitted Contest). The Lessee shall protect, save and keep harmless the Owner Participant, the Lessor, the Indenture Trustee and the Holders from time to time of the Notes and their respective successors and assigns from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature that may be imposed on, incurred by or asserted at any time (whether before, during or after the Lease Term) against the Owner Participant, the Lessor, the Indenture Trustee or any Holder in any way relating to or arising out of any such liens or security interests that are not Permitted Encumbrances or Owner Encumbrances, but under no circumstances whatsoever shall the Lessee be liable for or responsible to the Owner Participant, the Lessor, the Indenture Trustee or any Holder for any consequential damages.

SECTION 9. Rent. (a) Interim Rent. The Lessee agrees to pay, to the extent not paid by the Owner Trustee pursuant to Section 9(b)(vii)(i) of the Participation Agreement, Interim Rent for the Interim Term in one installment due on the Basic Term Commencement Date, in an amount equal to the aggregate amount of interest accrued but unpaid to such date on the Series A Notes. The Owner Trustee agrees to give notice to the Lessee and the Indenture Trustee at least five Business Days prior to the first day of the Basic Term if the funds for the payment required to be made by the Owner Trustee pursuant to Section 3.3 of the Trust Agreement will not be paid by the Owner Trustee to the Indenture Trustee in an amount equal to the amount required pursuant to Section 9(b)(vii)(i) of the Participation Agreement. If and to the extent that the Indenture Trustee on the first day of the Basic Term shall not have received funds for the payment in full of the amounts then due on the Series A Notes, the Lessee shall pay on such date all or such portion of the Interim Rent as

shall remain unpaid. The Lessee shall have the right to recover the amount, if any, of Interim Rent paid by it pursuant to this Section 9(a) on the terms and conditions set forth in Section 9(b)(vii)(ii) of the Participation Agreement.

(b) Basic Rent; Renewal Rent. (i) Basic Rent. Subject to any adjustments required by paragraphs (e) and (f) of this Section 9 and by the immediately following sentence, the Lessee hereby agrees to pay to the Lessor, subject to Section 19 of this Lease, on each Payment Date during the Basic Term, Basic Rent for each Railcar, payable in quarterly installments in arrears, each in an amount equal to the product of the Lessor's Cost for such Railcar multiplied by the percentage listed in Schedule 1 to this Lease, opposite the relevant Payment Date. Notwithstanding any other provisions of this Section 9 (including without limitation any adjustments made pursuant to paragraphs (e) and (f) hereof), on each Payment Date the Lessee shall pay as Basic Rent (without any deductions or offsets) to the Indenture Trustee for the account of the Lessor an amount at least sufficient to pay in full any payment then required to be made on account of principal of, and interest on, the Notes then Outstanding (other than by reason of acceleration of maturity thereof). It is understood that all payments (other than Excepted Property) to be made by the Lessee under this Lease are subject to the lien of the Indenture and to all the rights of the Indenture Trustee thereunder.

(ii) Renewal Rent. The Lessee hereby agrees to pay to the Lessor Renewal Rent on each Payment Date during the Renewal Term.

(c) Supplemental Rent. In addition to its obligation to pay Basic Rent hereunder, the Lessee shall pay to the Lessor or such other Person entitled thereto any and all Supplemental Rent (whether provided for herein or in any other Operative Document) as and when the same shall become due and owing, including, without limitation, the following:

(i) The Lessee agrees to pay to the Lessor, on demand, as Supplemental Rent, to the extent permitted by applicable law, interest at a rate per annum equal to the Overdue Rate on any part of any installment of Basic Rent or Supplemental Rent not paid when due for any period for which the same shall be overdue.

(ii) If an Indemnity Loan is made pursuant to Section 8 of the Tax Indemnification Agreement, then

the Lessee shall pay Supplemental Rent in amounts equal to the interest payable by the Owner Participant with respect to such Indemnity Loan, at the time the same shall become due.

(iii) The Lessee agrees that any Premium payable with respect to the Notes shall be payable, in accordance with the terms of the Indenture, as Supplemental Rent.

(d) Manner of Payment; Unconditional Payment.

All Basic Rent and Supplemental Rent shall be payable by wire transfer of federal or other immediately available funds or by any other means mutually agreeable to Lessee and Lessor at the place where payment is required to be made on or before 11:00 A.M. on the day when each such payment shall be due. Except as specifically provided in this Lease, the Lessee's obligation to pay Interim Rent, Basic Rent and Supplemental Rent payable hereunder shall be absolute and unconditional under any and all circumstances and shall not be affected by any circumstances of any character, including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which the Lessee may have against the Lessor, the Indenture Trustee, any Participant or anyone else for any reason whatsoever, including, without limitation, any default by the Lessor or any party to the Participation Agreement or any agreement referred to therein in their respective obligations hereunder or thereunder, (ii) any unavailability of any Railcar, after its delivery and acceptance by the Lessee hereunder, for any reason, including, without limitation, any lack of invalidity of title or any other defect in the title, condition, design, operation or fitness for use of such Railcar, (iii) any failure or delay on the part of the Lessor, the Indenture Trustee or any Participant or any other Person, whether with or without fault on its part, in performing or complying with any of the terms of covenants hereunder or any of the other Operative Documents, (iv) any loss or destruction of, or damage to, such Railcar or interruption or cessation in the use or possession thereof by the Lessee for any reason whatsoever and of whatever duration, (v) any insolvency, bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding by or against the Lessor, the Indenture Trustee, the Lessee or any Participant or any agreement referred to therein, (vi) any breach of any representation or warranty of, or any act or omission of, the Lessor, the Indenture Trustee or any Participant under this Lease or any of the other Operative Documents, (vii) any claims as a result of any other

business dealings by the Lessor, the Indenture Trustee, any Participant or the Lessee, (viii) the requisitioning, seizure or other taking of title to or use of such Railcar by any government or governmental authority or otherwise whether or not by reason of any act or omission of the Lessor or the Lessee or the Indenture Trustee, or any other deprivation or limitation of use of such Railcar in any respect or for any length of time, whether or not resulting from accident and whether or not without fault on the part of the Lessee, (ix) the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, (x) the lack of right, power or authority of the Lessor to enter into this Lease, (xi) any ineligibility of such Railcar for any particular use, whether due to any failure of the Lessor, the Lessee or any other Person to comply with any law or governmental regulation or otherwise, (xii) any event of force majeure or any frustration, (xiii) any legal requirement or (xv) any other cause, circumstance or happening, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. The Lessee hereby waives, to the extent permitted by applicable law, any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease except in accordance with the express terms hereof. If for any reason whatsoever this Lease shall be terminated in whole or in part by operation of law or otherwise except as specifically provided herein, the Lessee nonetheless agrees to pay to the Lessor an amount equal to each Basic Rent payment at the time such payment would have become due and payable in accordance with the terms hereof had this Lease not been terminated in whole or in part. Except to the extent of any payment in excess of that required to be made hereunder, each payment of Basic Rent and Supplemental Rent made by the Lessee shall be final, and the Lessee will not seek to recover all or any part of such payment from the Indenture Trustee, any Holder of a Note, the Lessor or any Participant for any reason whatsoever.

(e) Adjustments for Loss of Tax Benefits. In the event that a Loss of Tax Benefits occurs (for which the Owner Participant receives indemnification under the Tax Indemnification Agreement), then the Stipulated Loss Value percentages and Termination Value percentages shall be adjusted by the Owner Participant to maintain the Net Return.

(f) Other Adjustments. The Basic Rent percentages set forth in Schedule 1 to this Lease, the

Stipulated Loss Value percentages and Termination Value percentages set forth in Schedules 2 and 3, as the case may be, to each Lease and Indenture Supplement delivered in accordance with the terms hereof and of the Participation Agreement, and, within the constraints and subject to the provisions of the Indenture, the amortization payment structures of the Notes, shall be adjusted upward or downward if:

(i) delivery and acceptance of any Railcars shall not occur on the dates and in the amounts (both as to the number of such Railcars to be delivered on such dates and the purchase prices thereof) set forth in Exhibit F to the Participation Agreement as in effect on the date of execution thereof;

(ii) Transaction Costs are other than 2.25% of the aggregate Lessor's Cost for the Railcars;

(iii) Additional Notes are issued pursuant to Section 301 of the Indenture in connection with a refinancing under Section 20 of the Participation Agreement; or

(iv) any changes in the Code or treasury regulations (proposed, temporary or final) or judicial interpretation thereof shall have occurred prior to the relevant Closing Date which would render invalid any of the Tax Assumptions;

which adjustments shall be calculated for all periods from and after the Initial Closing Date, promptly after the occurrence of the event giving rise thereto (and for any adjustment pursuant to clause (iv) above, prior to the relevant Closing Date), and shall be such as to maintain the Owner Participant's Net Return (after giving effect to the factors taken into account in such adjustments) but which shall, subject to such maintenance, minimize the net present value (computed utilizing a discount rate equal to 9.34% per annum) of Basic Rent payments. Each adjustment made pursuant to this paragraph (f) shall satisfy the requirements of: (i) in the case of adjustments pursuant to Section 9(f)(iii) and (iv), Section 467 of the Code as in effect at the time of such recalculation or adjustment (on a prospective basis); (ii) in the case of adjustments pursuant to Section 9(f)(i) and (ii), Section 467 of the Code as in effect on the Initial Closing Date (on a prospective basis, but the provisions of this clause (ii) shall not adversely affect any right of the Owner Participant to indemnification in respect of the application of Section 467 of the Code as a result of

such event under the Tax Indemnification Agreement); and (iii) in all cases (and utilizing the Appraisal delivered on the Initial Closing Date), on a prospective basis, Rev. Procs. 75-21 and 75-28, and F.A.S.B. Statement No. 13 for treatment in respect of the Owner Participant as a leveraged lease; provided that any requirement identified in this paragraph shall not apply to the extent the same was not satisfied as of the Initial Closing Date.

(g) If, as a result of an adjustment to the payment of Basic Rent which occurs prior to a Closing Date, the net present value of total Basic Rent (computed utilizing a discount rate of 9.34% per annum) increases by 5% or more, the Lessee may terminate this Lease and the other Operative Documents as to any Railcars to be conveyed at any such subsequent Closing Date and will have no further obligations with regard to such Railcars hereunder or thereunder other than for Transaction Costs.

(h) Determination of Adjustments. Any adjustment pursuant to Section 9(e) or 9(f) shall initially be computed by the Owner Participant, which shall employ a computer optimization program which results in Basic Rent and Note amortization payment structures (within the constraints and subject to the provisions set forth in the Indenture) similar to those in effect on the Initial Closing Date. The results of such computation by the Owner Participant shall promptly be delivered to the Lessee. Within 10 Business Days after the receipt of the results of an adjustment, the Lessee may request that the Verifying Accountant verify, after consultation with the Owner Participant and the Lessee, the accuracy of such adjustment in accordance with Section 9(e) or 9(f), and the Owner Participant and the Lessee hereby agree to provide the Verifying Accountant with all information and materials as shall be reasonably necessary or desirable in connection therewith. If the Verifying Accountant confirms that such adjustment is in accordance with Section 9(e) or 9(f), it shall so certify to the Lessee, and such certification shall be final, binding and conclusive on the Lessee, the Owner Participant and the Lessor. If the Verifying Accountant concludes that such recalculation or adjustment is not in accordance with Section 9(e) or (f), it shall so certify to the Lessee and the Owner Participant, and the Owner Participant shall again compute the required adjustment. Such further adjustment shall again be subject to the provisions of this Section 9(h). Any such Verifying Accountant, in connection with the performance of an adjustment or recalculation hereunder, (i) shall not be permitted to review the documents, programs and

procedures used to calculate the Owner Participant's internal rate of return but shall have access to all other relevant documents, programs and procedures of the Owner Participant, (ii) shall execute a confidentiality agreement with respect to the subject matter of its review and (iii) shall return to the Owner Participant any materials of the Owner Participant used by such Verifying Accountant in the course of such verification. The final determination of any recalculation or adjustment hereunder shall be set forth in an amendment to this Lease, executed and delivered by the Lessor and the Lessee and consented to by the Owner Participant; provided, however, that failure to execute and deliver such amendment shall not affect the validity and effectiveness of any such recalculation or adjustment. The reasonable fees of the Verifying Accountant in verifying an adjustment pursuant to this Section 9(h) shall be paid by the Lessee within ten days after demand, except that the Lessor and the Owner Participant shall pay such fees, costs and expenses if such recalculation or adjustment is required to be recomputed because of an error of the Owner Participant resulting in a net present value (calculated at a discount rate equal to 9.45% per annum computed on a semi-annual basis) of the recalculated or adjusted Basic Rent that is 10 or more basis points higher than the net present value (at such rate) of the Basic Rent as determined by the Verifying Accountant.

(i) Sufficiency of Rent. Notwithstanding any provision to the contrary contained in this Lease or in any other Operative Document, (i) the amount of each Basic Rent payment payable hereunder shall be at least sufficient to pay, on each Payment Date, any amounts then required to be paid by the Lessor on account of (including mandatory redemption of or acceleration of) the principal of and interest on the Notes on such date and (ii) the amount of Stipulated Loss Value or Termination Value payable hereunder (together with the amount of Basic Rent and Premium, if any, due hereunder on each respective Payment Date for which Stipulated Loss Value or Termination Value is being calculated), before and after giving effect to any adjustments of the percentages relating thereto provided for in this Lease, shall be at least sufficient to pay or redeem in full, as and when due in accordance with the terms thereof, the principal of and all accrued interest on the Notes from time to time outstanding and the Premium, if any. Any Premium payable with respect to the Notes and any interest at the Overdue Rate shall be payable as Supplemental Rent, and the amount of each Supplemental Rent payment payable hereunder shall, if there shall then be a

Premium or interest calculated at the Overdue Rate payable on or with respect to the Notes, in any event be at least sufficient to pay, in accordance with the Indenture, all such amounts of Premium and all interest calculated at the Overdue Rate then payable on or with respect to the Notes.

SECTION 10. Insurance. (a) The Lessee shall at all times after the Initial Closing Date, at its own expense, carry and maintain or cause to be carried and maintained (i) property insurance with respect to each Railcar subject to this Lease in an amount not less than the Stipulated Loss Value thereof and (ii) public liability insurance with respect to third party personal and property damage, in each case in such amounts, against such risks with such insurance companies of recognized responsibility as is consistent with industry practice for companies engaged in a similar business and owning and operating similar properties, and in any event, in amounts not less than and against such risks so as to be no less protective than the insurance, if any, maintained by the Lessee with respect to similar railcars owned or leased by the Lessee and, in the case of the insurance required to be maintained pursuant to clause (ii) above, affording coverage of not less than \$100,000,000 per occurrence. Notwithstanding the foregoing, the Lessee may self-insure against any such risks provided the Lessee's long-term bond rating from Moody's Investors Services, Inc., does not fall below "Baa" or "investment grade" (as defined by the New York State Insurance Commissioner), whichever is higher. In the event the Lessee fails to comply with the foregoing sentence, the Lessee shall within twenty Business Days procure insurance in full compliance with this Section 10, provided that such policies may contain deductibles not in excess of customary industry practice. In no event shall the amount of such self insurance or deductible exceed \$10,000,000 in the case of physical damage insurance and \$20,000,000 in the case of liability insurance.

(b) All such insurance shall cover the interest of the Lessor, in both its individual and fiduciary capacities, each Participant, the Indenture Trustee and the Lessee, as their interests may appear, in the Railcars. The Lessee shall cause the property insurance on the Railcars required by clause (i) above to provide that, so long as the lien and security interest of the Indenture shall remain in effect, the proceeds, if any, shall be payable to the Indenture Trustee under a standard mortgage loss payable clause reasonably satisfactory to the Indenture Trustee, and thereafter to the Lessee.

(c) All insurance policies required to be maintained by the Lessee pursuant to this Section 10 shall (i) provide that the respective interests of the Lessor, each Participant and the Indenture Trustee shall not be invalidated by an action or inaction by the Lessee or any other named insured, and shall insure the Lessor, each Participant and the Indenture Trustee regardless of any breach or violation by the Lessee or any other named insured of any warranties, declarations or conditions in such policies, (ii) contain, so long as any Rent shall be payable hereunder, (A) an agreement by the Lessee not to exercise any rights of subrogation of the insurer against the Lessor, any Participant or the Indenture Trustee and (B) a waiver of any rights of the insurer to any set-off or counterclaim or any other deduction, whether by attachment or otherwise in respect of liability of the Lessor, any Participant or the Indenture Trustee and (iii) provide that the insurer shall give the Lessor, each Participant and the Indenture Trustee a written notice of Lessee's nonpayment of premiums.

(d) The proceeds of any insurance for damage to any Railcar not constituting an Event of Loss shall be applied in payment for the repair of such damage to the extent required to maintain such Railcar in accordance with Section 5, if such repair shall not have already been paid for by the Lessee, or, if already paid by the Lessee, to reimburse the Lessee for its payment of such repair and any balance remaining after compliance with said Section 5 shall be paid over to, or retained by, the Lessee.

(e) The Lessee agrees that it will satisfy all obligations under any insurance required hereunder to keep such insurance in full force and effect and it will not do any act or voluntarily suffer or permit any act to be done whereby any insurance required to be maintained hereunder shall or may be suspended or impaired and will not suffer or permit any Railcar to be used in a manner not permitted under the insurance policies, if any, maintained hereunder without first covering such Railcar for such use.

(f) Any Participant, the Indenture Trustee or the Lessor may at its own expense provide insurance on or with respect to the Railcars or the operation thereof unless such insurance would conflict with or otherwise limit any insurance maintained by the Lessee (whether or not pursuant to this Section 10); provided, however, that any insurance so maintained by the Indenture Trustee, the Lessor or any Participant shall provide by its terms that the insurer

shall have no rights of subrogation against the Lessee with respect to claims thereunder.

(g) If requested by the Lessor or the Indenture Trustee, the Lessee will arrange to be delivered to the Lessor and the Indenture Trustee copies of all applicable provisions of any such insurance carried on the Railcars. The Lessor or the Indenture Trustee may, but not more than once in any twelve-month period, request from the Lessee and the Lessee shall promptly thereafter furnish to the Lessor and the Indenture Trustee, an Officer's Certificate setting forth all insurance maintained by the Lessee pursuant to this Section 10 and describing such policies, if any, including the amounts of coverage, any deductible amounts, the names of the insurance providers and a general description of each such policy's terms attaching certificates evidencing such insurance, if any, and stating that such insurance conforms to, and complies with, the requirements and terms of this Lease.

SECTION 11. Loss, Requisition or Seizure. (a) Requisition. A taking of any Railcar for use by any governmental entity shall not terminate this Lease with respect to such Railcar, but the Lessee shall remain liable for all its obligations hereunder and under the other Operative Documents with respect to such Railcar, including, without limitation, its liability for payment of Rent, unless and until such taking becomes an Event of Loss hereunder, at which time the provisions of Section 11(b) shall apply. So long as such taking shall not have become an Event of Loss hereunder, all payments received by the Lessor or the Lessee for use of such Railcar as a result of such taking during the Lease Term shall be paid over to, or retained by, the Lessee except if a Lease Event of Default shall have occurred and be continuing in which event such payments shall be payable to the Lessor, or to whomever shall be entitled to receive the same subject to an accounting between the Lessor and the Lessee at the termination of this Lease. Provided no Lease Default or Lease Event of Default shall have occurred and be continuing, after an Event of Loss with respect to a Railcar, all payments received by the Lessor or the Lessee for use of such Railcar under this paragraph (a) shall be paid over to, or retained by, the Lessee and applied to the payment of Stipulated Loss Value, and after such payment, any amounts remaining shall be paid to the Lessor; otherwise all such payments shall be retained by or paid over to the Lessor or to whomever shall be entitled to receive the same.

(b) Event of Loss. On each Payment Date (but in the case of an Event of Loss which occurs within 90 days of the expiration of the Lease Term and for which the Lessor obtains knowledge of the occurrence thereof, no later than 90 days after the final Payment Date), the Lessee shall pay to the Lessor, or to whomever shall be entitled to receive the same, (x) the Stipulated Loss Value for any Railcar in respect of which a Responsible Officer of the Lessee shall then have actual knowledge of the occurrence of an Event of Loss for which Stipulated Loss Value has not theretofore been paid, computed as of such Payment Date (or, in the case of an Event of Loss with respect to any Railcar for which Stipulated Loss Value is being paid after the final Payment Date paid during the Lease Term computed as of the final Payment Date), plus (y) if the date the payment of Stipulated Loss Value shall be after the final Payment Date, an amount equal to interest at 9.34% per annum computed for the period from the final Payment Date to the date such Stipulated Loss Value shall be paid, plus (z) the Basic Rent payable on such Payment Date (if and to the extent Basic Rent is then being paid in arrears) and all other unpaid Rent for such Railcar accrued to the date such payment of Stipulated Loss Value shall be due. After the payment in full of such Stipulated Loss Value and such other amounts, the Lessee's obligation to pay further Basic Rent with respect to such Railcar shall terminate.

All payments received by the Lessor or the Lessee from any governmental authority or otherwise as compensation for an Event of Loss with respect to any Railcar shall be applied in reduction of the Lessee's obligation to pay the Stipulated Loss Value of such Railcar, if not already paid by the Lessee or if already paid by the Lessee, shall be applied to reimburse the Lessee for its payment of Stipulated Loss Value, and the balance, if any, of such payments shall be shared between the Lessee and the Lessor as their interests may appear. In the event that the Lessee shall make payment as provided above, including payment by application of compensation or insurance proceeds and shall pay all other Rent then owing under this Lease with respect to a Railcar subject to an Event of Loss, this Lease shall terminate with respect to such Railcar and the Lessee or its designee (i) shall be subrogated to all rights that the Lessor shall have with respect to such Railcar, (ii) shall, subject to the Lessee's obtaining any governmental consents required, receive assignments and bills of sale from the Lessor (in such form as the Lessee or such designee shall require) of any or all such rights, together with all the Lessor's right, title and interest in and to such Railcar,

free and clear of any Owner Encumbrances, but otherwise without any representation, recourse or warranty of any character on the part of the Lessor, and (iii) shall have the right to abandon such Railcar to underwriters on behalf of the Lessor as well as itself. In such case, the Lessor shall, at the Lessee's expense, execute or cause to be executed such documents and take such other action as the Lessor shall require to effect the surrender to the insurance underwriters of such Railcar. The Lease Term shall terminate with respect to such Railcar upon payment of Stipulated Loss Value and all Rent therefor then owing.

(c) Replacement. Provided no Lease Default pursuant to Section 14(f) or Lease Event of Default shall have occurred and be continuing, in lieu of payment of all or a portion of the Stipulated Loss Value for any Railcar due and owing as provided in subsection (b) above, the Lessee may, on or prior to the date on which such Stipulated Loss Value would have otherwise been due, convey or cause to be conveyed to the Lessor, as replacement for any such Railcar with respect to which an Event of Loss occurred, title to a Replacement Railcar free and clear of all liens other than Permitted Encumbrances and having a value and utility and estimated useful life at least equal to, and being in as good operating condition as, such Railcar with respect to which an Event of Loss occurred assuming such Railcar was in the condition and repair required by the terms hereof immediately prior to the occurrence of such Event of Loss. Prior to or at the time of any such conveyance, the Lessee, at its own expense, will furnish the Lessor, the Indenture Trustee and each Participant with the following documents which shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect on the date of such conveyance: (i) a bill of sale, in form and substance satisfactory to Lessor, with respect to such Replacement Railcar and (ii) a Lease and Indenture Supplement substantially in the form of Exhibit A hereto covering such Replacement Railcar, together with such evidence of compliance with the provisions of Section 22 hereof as the Lessor or the Indenture Trustee may reasonably request; provided, however, that (x) not later than thirty days after the end of any calendar year in which a Replacement Railcar shall have been subjected hereto pursuant to this subsection (c) or (y) in connection with any subsection hereto at any one time of seven or more Replacement Railcars, the Lessee shall additionally furnish (1) such evidence of compliance with the insurance provisions of Section 10 hereof with respect to such Replacement Railcar(s) as the Lessor or the

Indenture Trustee shall reasonably request and (2) an opinion or opinions of counsel (which may be the Lessee's counsel) in form and substance satisfactory to the Lessor and the Indenture Trustee with respect to such Replacement Railcar(s) to the effects that upon such conveyance the Lessor will acquire or has acquired good and marketable title to such Replacement Railcar(s) free and clear of all liens other than Permitted Encumbrances and that such Replacement Railcar(s) will be or have been leased hereunder and subjected to the lien of the Indenture to the same extent as the Railcar(s) replaced thereby, and to the further effect of the form of opinion attached as Exhibit D-7 to the Participation Agreement. Upon full compliance by the Lessee with the terms of this subsection (c), the Lessor will transfer to the Lessee, without recourse or warranty (except as to the Owner Encumbrances) and subject to a disclaimer satisfactory to the Lessor and the Indenture Trustee of all liabilities, including tort and negligence with respect to such Railcar, all of the Lessor's right, title and interest, if any, in and to such replaced Railcar with respect to which an Event of Loss occurred. For all purposes hereof, each such Replacement Railcar shall, after such conveyance, be deemed part of the property leased hereunder and shall be deemed a "Railcar" as defined herein. No Event of Loss with respect to a Railcar under the circumstances contemplated by the terms of this Section 11(c) shall result in any reduction in Basic Rent. Any election to replace a Railcar shall constitute a representation of the Lessee that such replacement will not have any adverse tax consequences for the Owner Participant.

SECTION 12. Termination for Obsolescence or Surplusage. (a) So long as no Lease Default or Lease Event of Default has occurred and is continuing, at any time after March 15, 1997 (but in no case on more than three occasions during the Lease Term) notwithstanding any provision herein contained to the contrary, in the event that certain of the Railcars shall have become economically obsolete or surplus to the Lessee's requirements, as certified by a Responsible Officer of the Lessee, the Lessee shall have the right at its option, on at least 180 days' prior irrevocable written notice evidencing the Lessee's determination and specifying the determination which has been so made (i.e., whether such Railcars are economically obsolete or surplus to the Lessee's requirements or both) (the "Notice of Termination") to the Lessor and the Indenture Trustee, to terminate this Lease with respect to not less than 125 of the Railcars then being leased under this Lease (and provided that at least

130 Railcars remain subject to the Lease), selected by the Lessee, on any Payment Date (for the purpose of this Section 12(a) called the "Termination Date") specified in such Notice of Termination; provided, however, that the Lessee agrees, on behalf of the Lessor, to give a notice of redemption to the Indenture Trustee with respect to that portion of the Notes Outstanding to be redeemed pursuant to Section 401(b) of the Indenture in connection with such termination; and provided further, that (a) on the Termination Date such Railcars shall be in the same condition and at the same location as if being returned, pursuant to Section 2(b) hereof, free and clear of all liens, charges, security interests and encumbrances (except as permitted by Section 2(c)), and (b) such Termination Date shall occur on a Payment Date at least 60 days after the Lessee, on behalf of the Lessor, gives the notice to the Indenture Trustee referred to in the first proviso to this sentence to redeem an aggregate principal amount of Notes Outstanding equal to the sum of (A) the product of (i) the aggregate principal amount of Notes Outstanding on such date after application by the Indenture Trustee of Basic Rent (if and to the extent Basic Rent is then being paid in arrears) to the payment due on such date and (ii) a fraction the numerator of which is the Lessor's Cost for the Railcars so being designated as obsolete or surplus and the denominator of which is the aggregate Lessor's Cost for all of the Railcars then subject to this Lease and (B) the Premium, if any, payable with respect to the Notes.

(b) During the period from the giving of such notice until the Termination Date, the Lessee, as agent for the Lessor, shall use its best efforts to obtain bids for the purchase of such Railcars, and the Lessee shall certify to the Lessor the amount of such bid and the name and address of the party submitting such bid. On the Termination Date (or such later date as the Lessor and the Lessee may mutually agree) the Owner Trustee shall sell such Railcars for cash to the bidder who shall have submitted the highest bid prior to the Termination Date, provided, however, that the purchaser of such Railcars shall be a Person other than the Lessee, any Affiliate of the Lessee or any successor or assign of the Lessee and provided further, that in the event the relevant Notice of Termination shall have specified the Lessee's determination pursuant to this Section 12 as made on the basis of such Railcars being economically obsolete (and not being surplus to the Lessee's requirements), then the Lessee shall not acquire, by purchase, lease or otherwise, such Railcars or other railcars substantially similar thereto, for a period of two

years after the Termination Date. The sales price (net of costs and expenses of the Lessor and of the Owner Participant) realized at such sale shall be paid to the Lessor or to whoever shall be entitled to receive the same, and, in addition, on the Termination Date the Lessee shall pay to the Lessor, or to whoever shall be entitled to receive the same, the amount, if any, by which (i) the Termination Value for such Railcars, computed as of such Payment Date, exceeds (ii) the sales price of such Railcars net of costs and expenses referred to above (or, if such sale does not occur on or prior to the Termination Date, the Lessee shall pay on the Termination Date to the Lessor, or to whoever shall be entitled to receive the same, the amount specified in clause (i) above); provided, however, that any sale proceeds (net of the costs and expenses of the Lessor and of the Owner Participant) received by the Lessor after the Termination Date shall be applied, first, to reimburse the Lessee for the amount specified in clause (i) above and, second, the balance (if any) shall be paid to the Lessor. In addition, the Lessee shall pay to the Lessor or to whoever shall be entitled to receive the same, the amount of the Basic Rent (if and to the extent Basic Rent is then being paid in arrears) payable on such Payment Date plus all other Rent then due. If no sale shall occur on the date scheduled therefor as above provided, this Lease will continue in full force and effect. In the event of termination of this Lease pursuant to this Section 12 and the receipt by the Lessor, or by whoever shall be entitled to receive the same, of all amounts above described as payable, the obligation of the Lessee to pay Basic Rent in respect of such Railcars on each Payment Date shall terminate. The Lessor shall be under no duty to solicit bids (but shall have the right to do so), to inquire into the efforts of the Lessee to obtain bids or otherwise to take any action or incur any cost or expense in connection with any sale pursuant to this Section 12 other than, upon payment by the Lessee of all sums due under this Section 12, to transfer or to cause to be transferred to the purchaser named in the highest bid certified by the Lessee to the Lessor as above provided all the Lessor's right, title and interest in and to such Railcars. Any sale pursuant to this Section 12 shall be free and clear of the Lessee's rights to such Railcars, and any Owner Encumbrances but otherwise shall be made without any representation, recourse or warranty whatsoever on the part of the Lessor except that the Lessor shall warrant to the purchaser that such Railcars are free and clear of all Owner Encumbrances.

(c) The foregoing provisions of Section 12(b) to the contrary notwithstanding, the Lessor may, by notice in writing given to the Lessee within 90 days prior to the termination of the Lease pursuant to this Section, elect to retain such Railcars, in which event the Lessee shall discontinue its effort to sell the Railcars and the Lessor shall (i) pay, or provide for the payment of, an aggregate principal amount of the Notes Outstanding (and Premium, if any) equal to the product of (A) the aggregate principal amount of Notes Outstanding on such date after the application by the Indenture Trustee of Basic Rent (if and to the extent Basic Rent is then being paid in arrears) to the payment due on such date and (B) a fraction the numerator of which is the aggregate Lessor's Cost for such Railcars so being designated as obsolete or surplus and the denominator of which is the aggregate Lessor's Cost for all of the Railcars then subject to this Lease, together with the Premium (if any) and accrued interest (if and to the extent Basic Rent is then being paid in arrears) thereon to the Termination Date, and (ii) deliver to the Lessee a release of all obligations of the Lessee to pay Basic Rent with respect to such Railcar on any and all Payment Dates accruing on (if Basic Rent has been paid in advance) and after (but not on, if Basic Rent is to be paid in arrears, or before) the Termination Date, as well as of the obligation of the Lessee to pay Termination Value in respect thereof.

(d) Not less than 30 days prior to the Termination Date, the Lessee shall have the right to revoke the Notice of Termination if (i) no bid has been received that equals or exceeds the Termination Value plus Premium, if any, for such Railcars and (ii) the Lessor has not elected to retain the Railcars pursuant to paragraph (c).

SECTION 13. Assignment and Sublease. (a) Assignment. So long as no Lease Event of Default shall have occurred and be continuing, the Lessee may assign all of its rights and obligations under this Lease and the other Operative Documents without the prior consent of the Lessor and the Indenture Trustee to any Person, if the Lessee remains liable for all its obligations under this Lease and the other Operative Documents to which it is a party to the same extent as if such assignment to such Person had not been made.

(b) Sublease. So long as no Lease Event of Default shall have occurred and be continuing, the Lessee shall have the right to enter into a sublease of or

interchange arrangement for any Railcar provided that each such sublease or interchange arrangement shall be expressly subject and subordinate to the terms of this Lease and the Lessee shall remain liable for all its obligations under this Lease and the other Operative Documents to which it is a party to the same extent as if such sublease or interchange arrangement were not in effect. No such sublease shall relieve the Lessee of its obligations hereunder which shall be and remain those of a principal and not a surety.

(c) Assignment by Lessor. So long as no Lease Event of Default shall have occurred and be continuing, the Lessor agrees that it will not assign or transfer its right, title and interest in and to this Lease or any Railcar, except as contemplated by the Indenture and except that the Lessor may prior to the end of the Basic Term or the Renewal Term, as the case may be, agree to sell or otherwise dispose of such Railcar effective at or after the end of the Basic Term or the Renewal Term, as the case may be, provided that any such agreement is stated expressly to be subject and subordinate to the Indenture, unless the Indenture is no longer in effect, and to the rights of the Lessee hereunder. Prior to executing any such assignment of its rights hereunder, the Lessor shall notify the Lessee and the Indenture Trustee thereof, and provided further, that the buyer shall not be a direct competitor of Lessee.

SECTION 14. Lease Events of Default. Each of the following events shall constitute a "Lease Event of Default" (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) the Lessee shall fail to make any payment of Basic Rent or Supplemental Rent (to the extent such Supplemental Rent constitutes payment of Premium on the Notes) on the date the same shall become due and such failure shall be continuing at the end of the 10th Business Day after such payment shall become due; or

(b) the Lessee shall fail to make any payment of Supplemental Rent other than Supplemental Rent which constitutes payment of Premium on the Notes (or any other payment required hereunder other than Basic Rent and Supplemental Rent which constitutes payment of Premium on the Notes) before the end of the 10th

Business Day after the Lessee (and, if such demand is being made by the Indenture Trustee, the Lessor) shall have received written demand for such payment from the Lessor or the Indenture Trustee; or

(c) the Lessee shall fail to perform or observe in a material respect any other covenant, condition or agreement to be performed or observed by it hereunder or under any other Operative Document to which it is a party (except for the Tax Indemnification Agreement) and the Lessee shall not have diligently commenced and be continuing to cure such failure (in the case of a cure that cannot be effected by the payment of money and where such failure is not likely to result in criminal penalties or material civil penalties for the Lessor or the Owner Participant and is not likely to impose a lien or pose a material risk of foreclosure, forfeiture, loss, or loss of use, or sale of, or have any other material adverse effect on the aggregate value of the Railcars then being leased hereunder or the title, property or rights therein) or shall not have cured such failure (in the case of a cure that can be effected by the payment of money or which is likely to result in criminal penalties or material civil penalties for the Lessor or the Owner Participant or to impose a lien or impose a material risk of foreclosure, forfeiture, loss, or loss of use, or sale of, or have any other material adverse effect on the aggregate value of the Railcars then being leased hereunder) on or prior to the 30th day after the Lessee (and, if such notice is being given by the Indenture Trustee, the Lessor) shall have received notice of such failure from the Lessor or from the Indenture Trustee; provided, that the failure by Lessee to cure such a failure within three months after receiving such notice shall constitute an immediate Lease Event of Default; or

(d) any representation or warranty made by the Lessee herein or in any Operative Document (other than the Tax Indemnification Agreement) or any document or certificate (other than representations or warranties relating to the Appraisal) furnished by it to the Lessor, the Indenture Trustee or any Participant shall prove at any time to be incorrect as of the date made in any material respect; or

(e) the Lessee shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any applicable

bankruptcy or insolvency law (as now or hereafter in effect) or an answer admitting the material allegations of a petition filed against the Lessee in any such proceeding; or the Lessee shall by voluntary petition, answer or consent, seek relief under the provisions of any now existing or future bankruptcy, insolvency or other similar law providing for the liquidation, reorganization or winding-up of corporations, or providing for an agreement, composition, extension or adjustment with its creditors, or the Lessee shall make an assignment for the benefit of creditors, or the Lessee shall fail to pay its debts as they become due or the Lessee shall take any action in furtherance of any such action; or

(f) a receiver, trustee, liquidator or custodian of the Lessee or of a substantial part of its property shall be appointed by court order and such order shall remain in effect for more than 90 days; or the Lessee shall be adjudicated bankrupt or insolvent or any of its properties shall be sequestered by court order and such order shall remain in effect for more than 90 days; or a petition shall be filed against the Lessee under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and shall not be dismissed within 90 days after such filing; or

(g) the Lessee shall default (i) in the maintenance of the insurance coverage required by Section 10 or (ii) the observance or performance of any covenant required to be observed or performed by the Lessee under Section 10 and such default described in clause (ii) shall continue for ten (10) Business Days after receipt of written notice thereof; or

(h) a final judgment against the Lessee for the payment of money in excess of \$5,000,000 shall have been entered and shall not have been vacated, satisfied or stayed for a period of more than thirty (30) days after the date of its entry.

SECTION 15. Action Following a Lease Event of Default. Upon the occurrence of a Lease Event of Default and at any time thereafter so long as the same shall be continuing, the Lessor may, at its option, declare this Lease to be in default (except that no such declaration shall be required in the case of a Lease Event of Default

pursuant to paragraph (e) or (f) of Section 14); and at any time thereafter, so long as the Lessee shall not have remedied all outstanding Lease Events of Default, the Lessor may do, and the Lessee shall comply with, one or more of the following, as the Lessor in its sole discretion shall so elect, to the extent permitted by and subject to compliance with, any mandatory requirements of applicable law then in effect:

(a) Redelivery and Retaking. Upon written demand, the Lessor may cause the Lessee, at the Lessee's expense, to, and the Lessee hereby agrees that it will, promptly redeliver the Railcars, or cause the Railcars to be redelivered, to the Lessor with all reasonable dispatch and in the same manner and in the same condition as if the Railcars were being redelivered in accordance with all the provisions of Sections 2(b) and 2(c) and all obligations of the Lessor under said Sections shall apply to such redelivery; or the Lessor or its agent, at the Lessor's option, without further notice, may, but shall be under no obligation to, retake the Railcars wherever found, and irrespective of whether the Lessee, any sublessee or any other Person is in possession of the Railcars or any of them, all without prior demand and without legal process, and for that purpose the Lessor or its agent may enter upon any premises where any such Railcar is and may take possession thereof, without the Lessor or its agent incurring any liability by reason of such retaking, whether for the restoration of damage to property caused by such retaking or for damages of any kind to any Person for or with respect to any cargo carried or to be carried by such Railcar or for any other reason. The exercise by the Lessor of its remedies under this paragraph (a) shall be without prejudice, and in addition, to any of the Lessor's other remedies referred to below in this Section 15.

(b) Liquidated Damages. Whether or not the Lessor shall have exercised, or shall thereafter at any time exercise, any options, rights or remedies under paragraph (a) or (c) of this Section 15, the Lessor may, by notice to the Lessee specifying a Payment Date which is not earlier than 10 days after the date of such notice, demand that the Lessee pay to the Lessor and the Lessee shall pay to the Lessor, on such Payment Date, as liquidated damages for loss of a bargain and not as a penalty, and in lieu of Basic Rent for any Railcar due after such Payment Date, all unpaid Basic

Rent for such Railcar payable on each Payment Date occurring on (if Basic Rent is then being paid in arrears) or prior to such Payment Date, plus any Supplemental Rent then due with respect therefor, plus whichever of the following amounts the Owner Trustee, in its sole discretion, shall specify in such notice (together with interest on such amount at the Overdue Rate for the period from the Payment Date specified in such notice to the date of actual payment):

(i) an amount equal to the excess, if any, of the Stipulated Loss Value of such Railcar computed as of the Payment Date specified in such notice, over the Fair Market Rental Value thereof, determined by an Appraiser selected by the Lessor, for the remainder of the Lease Term applicable to such Railcar after discounting such Fair Market Rental quarterly to present worth as of such Payment Date at the Overdue Rate; or

(ii) an amount equal to the excess, if any, of the Stipulated Loss Value of such Railcar computed as of the Payment Date specified in such notice, over the Fair Market Sale Value thereof, determined by an Appraiser selected by the Lessor, as of such Payment Date;

provided, however, that if such Railcar cannot be repossessed, the Fair Market Rental Value and the Fair Market Sale Value of such Railcar for purposes of this Section 15(b) shall be deemed to be equal to zero; and provided further, that if the Lessor shall have sold or leased a Railcar under paragraph (c) of this Section 15, the proceeds from such sale or such rental shall be deemed the Fair Market Sale Value or the Fair Market Rental Value thereof.

(c) Sale; Use. The Lessor or its agent, on reasonable notice to the Lessee, may sell any Railcar at a public or private sale, by such advertisement or publication as the Lessor may determine, or otherwise may dispose of, hold, use, operate, lease (whether for a period greater or less than the balance of what would have been the Lease Term in the absence of the termination of the Lessee's rights to such Railcar) to others or keep idle such Railcar, in a commercially reasonable manner and on such terms and conditions and at such place or places as Lessor may determine and all free and clear of any rights of the Lessee and of any

claim of the Lessee in equity, at law or by statute, whether for loss or damage or otherwise, and without any duty to account to the Lessee.

(d) Alternate Liquidated Damages. The Lessor, in lieu of exercising its rights under paragraphs (b) and (c) of this Section 15, by notice to the Lessee specifying a Payment Date not earlier than 10 days or more than 30 days from the date of such notice, may require the Lessee to pay to the Lessor, and the Lessee hereby agrees that it will pay to the Lessor, on the Payment Date specified in such notice, as liquidated damages for loss of a bargain, and not a penalty, and in lieu of any further payments of Basic Rent hereunder with respect to the Railcars, an amount equal to the sum of (A) all unpaid Basic Rent payable or that would have been payable on or before the date of payment specified in such notice, plus any Supplemental Rent then due with respect therefor, plus (B) an amount equal to the Stipulated Loss Value, plus Premium, if any, for the Railcars computed as of the Payment Date specified in such notice, and upon such payment of liquidated damages and all other Rent then due and payable by the Lessee hereunder, the Lessor shall transfer ("as is, where is and with all faults", without any representation, recourse or warranty whatsoever other than as to the absence of Owner Encumbrances) the Railcars to the Lessee, and the Lessor shall execute and deliver such documents evidencing such transfer and take such further action in connection therewith as the Lessee shall reasonably request. In addition, the Lessor may, within 30 days after the Lessee shall make payment of all amounts required above, give the Lessee written notice requesting that the Fair Market Sale Value of the Railcars, as of the date on which Stipulated Loss Value was computed pursuant to subclause (B) of this clause (d), be determined; and if such Fair Market Sale Value as of such date shall be determined to exceed the Stipulated Loss Value of the Railcars paid pursuant to the first sentence of this clause, the Lessee shall, within 60 days after such determination, pay the amount of such excess to the Lessor.

(e) Other Remedies. Subject to and without prejudice to any right or claim of the Indenture Trustee under the Indenture, the Lessor may terminate this Lease and/or may exercise any other right or remedy, not inconsistent with the foregoing, that may

be available to it under applicable law in equity or proceed by appropriate court action to enforce the terms of this Lease or to recover damages for the breach hereof.

In addition, the Lessee shall be liable, on an After-Tax Basis, for any and all Supplemental Rent payable hereunder before, during or after the exercise of any of the foregoing remedies, which Supplemental Rent shall include all reasonable legal fees and other costs and expenses incurred by the Lessor, any Participant and the Indenture Trustee by reason of the occurrence of any Lease Event of Default or by reason of the exercise by the Lessor, any Participant or the Indenture Trustee of any remedy hereunder, including, without limitation, any costs and expenses incurred by any Participant, the Lessor or the Indenture Trustee in connection with any retaking of any Railcar or, upon the redelivery or retaking of such Railcar in accordance with this Section 15, the placing of such Railcar in the condition required by the terms of Sections 2(c) and 5. Except as specifically provided herein, no remedy referred to in this Section 15 is intended to be exclusive, but each shall be cumulative and is in addition to, and may be exercised concurrently with, any other remedy which is referred to in this Section 15 or which may otherwise be available at law, or in equity; provided, however, that liquidated damages having been agreed to by the parties hereto pursuant to paragraphs (b) and (d) above, the Lessor shall not be entitled to recover from the Lessee as damages upon the occurrence of one or more Lease Events of Default an amount in excess of such liquidated damages plus any other Rent owing pursuant to the terms of this Lease. To the extent not required to satisfy any Notes and other amounts then payable under the Indenture, there shall be deducted from the aggregate amount so recoverable by the Lessor the net balance, if any, remaining of any moneys held by the Lessor which would have been required by the terms hereof or any other Operative Agreement to have been paid to the Lessee but for the occurrence of an Lease Event of Default. To the extent permitted by applicable law, the rights of the Lessor and the obligations of the Lessee under this Section 15 shall be effective and enforceable regardless of the pendency of any proceeding which has or might have the effect of preventing the Lessor and the Lessee from complying with the terms of this Lease. No express or implied waiver by the Lessor of any Lease Event of Default shall in any way be, or be construed to be, a waiver of any further or subsequent Lease Event of Default.

SECTION 16. Notices. All notices, demands, declarations and other communications required under the terms and provisions hereof shall mean written or telegraphic notice or notice by telephone promptly confirmed in writing, and shall be addressed (i) if to the Lessee, at its address at 3925 Embassy Parkway, Akron, OH 44313, Telecopy: (216) 374-2238, Attention: Treasurer; (ii) if to the Lessor at its address at 777 Main Street, Hartford, Connecticut 06115, Attention: Corporate Trust Administration, with a copy to the Owner Participant at its address specified in the Participation Agreement, (iii) if to the Indenture Trustee, at its address at 231 South LaSalle Street, 7th Floor, Chicago, Illinois 60697, Attention: Corporate Trust Department, Telecopy: (312) 828-6052, (iv) if to any Participant, at its respective address specified in the Participation Agreement, or (v) if to any of the foregoing, at such other address as such Person may from time to time designate in writing to the other Persons referred to in this Section 16. Notice shall be effective on receipt.

SECTION 17. Repurchase Offer. (a) In the event that, immediately following and as a result of any restructuring or recapitalization by the Lessee or any consolidation or merger or other conveyance, transfer or lease of all or substantially all of the Lessee's assets, the Capitalization Ratio of the Lessee or any such successor entity or transferee shall exceed seventy percent (70%) (a "Trigger Event"), the Lessee shall promptly deliver an Officer's Certificate giving notice thereof (the date of such notice to be referred to as a "Solicitation Date") to the Lessor and the Indenture Trustee. Thereafter the Lessee will give notice to the Lessor and the Indenture Trustee on or before the sixtieth day after any such Solicitation Date (or on the next succeeding Business Day, if such sixtieth day is not a Business Day), which notice shall specify whether the Lessee has received consent as provided in paragraph (b) below to such Trigger Event from the Lessor and the Indenture Trustee.

(b) If either or both of the Lessor and the Indenture Trustee shall not have consented to such Trigger Event within sixty days after such Solicitation Date, then the Lessee shall be deemed to have made an irrevocable offer (the "Repurchase Offer") as of such Solicitation Date to purchase the Railcars on the Payment Date next following by at least 90 days such Solicitation Date, as provided in paragraph (c) below. If both the Lessor and the Indenture Trustee shall have consented in writing to such Trigger Event within such sixty-day period, then the Lessee shall

not be deemed to have made a Repurchase Offer under this Section and the occurrence of such Trigger Event shall not give rise to any further obligation on the part of the Lessee by reason of this Section.

(c) Any Repurchase Offer made pursuant to this Section shall be deemed to have been accepted without any action on the part of the Lessor and the Indenture Trustee. In the event of any acceptance of any such Repurchase Offer pursuant to this paragraph, the Lessee shall purchase the Railcars, on the Payment Date specified in the foregoing paragraph (b), for a purchase price equal to the greater of the Fair Market Sale Value of the Railcars as of such Payment Date and the Stipulated Loss Value of the Railcars, computed as of such Payment Date plus, in the event that the Indenture Trustee (and not the Lessor) shall have consented to such Trigger Event in accordance with the foregoing paragraph (b), an amount equal to the Premium, if any, payable under the Indenture. Upon payment of the amounts required to be paid by the Lessee pursuant to this paragraph and all other Rent then due, the Lease Term shall terminate and the obligation of the Lessee for all Basic Rent for the Railcars otherwise due and payable on or after (but not before) such Payment Date shall cease, but the Lessee's obligation to pay Supplemental Rent (except as to amounts paid), if any, shall remain unchanged.

SECTION 18. Successor Banks and Trustees. The Lessee agrees that in the case of the appointment of any successor trustee pursuant to the terms of the Trust Agreement or the Indenture, such successor trustee shall, upon written notice by such successor trustee to the Lessee, succeed to all the respective rights, powers and title of CNB and the Lessor hereunder or to all the rights and powers of the Indenture Trustee hereunder, as the case may be, and shall be deemed to be the owner or mortgagee, respectively, of the Railcars for all purposes hereof, without the necessity of any consent or approval by the Lessee and without in any way altering the terms of this Lease or the Lessee's obligations hereunder. One such appointment and designation of a successor trustee shall not exhaust the right to appoint and designate further successor trustees pursuant to the Trust Agreement or the Indenture, but such right may be exercised repeatedly as long as this Lease shall be in effect. The trustee or any successor trustee from time to time serving thereunder may, but shall not be obligated to, appoint one or more of its officers as attorney-in-fact for such trustee or such successor trustee, as the case may be, to execute any and all notices, consents

and approvals or other documents necessary or desirable to be executed in connection with this Lease or with the Railcars.

SECTION 19. Security for Lessor's Obligations under the Indenture. In order to secure the Obligations of Lessor under the Indenture, the Indenture provides for the assignment by the Lessor to the Indenture Trustee of this Lease and for the creation of a security interest in favor of the Indenture Trustee in the Railcars all as more specifically provided in the Indenture. To the extent, if any, that this Lease constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction) no security interest in this Lease may be created through the transfer or possession of any counterpart other than the original counterpart of this Lease, which shall be identified as the counterpart containing the receipt, therefor, executed by the Indenture Trustee on the signature page thereof. The Lessee hereby consents to the assignment of all the Lessor's right, title and interest in and into this Lease, subject to certain exclusions provided in the Indenture, to the Indenture Trustee pursuant to terms of the Indenture. The Lessee hereby acknowledges receipt of an executed counterpart of the Indenture and agrees that such counterpart constitutes adequate notice of all matters contained therein. The Lessee agrees to make all payments of Interim Rent, Basic Rent, Stipulated Loss Value and Termination Value and any Premium due hereunder (other than Excluded Property) to the Indenture Trustee at its office at 231 South LaSalle Street, 7th Floor, Chicago, Illinois 60697, Attention: Corporate Trust Department until Lessee shall received notice that the Indenture shall have been satisfied and discharged. The Indenture Trustee shall not be obligated to perform any duty, covenant or condition required to be performed by the Lessor under any of the terms hereof, but on the contrary, the Lessee and the Lessor each acknowledge and agree that notwithstanding any such assignment each and all of such duties, covenants or conditions required to be performed by the Lessor shall survive any such assignment and shall be and remain the sole liability of the Lessor. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of the Indenture Trustee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever whether by reason or failure of or defect in the Lessor's title or the failure of the Lessor to afford the right of quiet enjoyment to the

Lessee, or any interruption from whatsoever cause in the use, operation or possession of the Railcars or any part thereof, or any damage to or loss or destruction of the Railcars or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other Person or for any cause whatsoever, it being the intent hereof that the Lessee shall be unconditionally and absolutely obligated to pay all of the Rent and other sums which are the subject matter of the assignment, and (ii) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, the Lessor. Unless and until the Lessee shall have received written notice from the Indenture Trustee that the lien of the Indenture has been released, except as otherwise provided in the Indenture, (i) no amendment or modification of, or waiver by or consent of the Lessor in respect of, any of the provisions of this Lease shall be effective unless the Indenture Trustee shall have joined in such amendment, modification, waiver or consent or shall have given its prior written consent thereto, and (ii) except as otherwise provided in the Indenture, the Indenture Trustee shall have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of the Indenture Trustee) which by the terms of this Lease or by Applicable Law are permitted or provided to be exercised by the Lessor. The provisions of this Lease that require or permit action by, the payment of any moneys to, the consent or approval of, the furnishing of any instrument or information to, or the performance of any other obligation to, the Indenture Trustee shall not be effective, and the Sections hereof containing such provisions shall be read as though there were no such requirements or provisions and all moneys otherwise payable to the Indenture Trustee hereunder shall be paid to the Lessor after the Indenture Trustee shall have given the Lessee and the Lessor written notice of the satisfaction and discharge of the Indenture.

SECTION 20. Confirmation of Warranty Assignment.
The Lessee and the Lessor hereby confirm the assignment by the Lessee to the Lessor of the Lessee's rights and remedies against each of the Manufacturers as provided in Section 14(c) of the Participation Agreement.

SECTION 21. Lessor's Right to Perform for the Lessee. If the Lessee fails to make any payment of Rent required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, the Lessor may, on behalf of the Lessee and upon notice to the

Lessee, itself make such payment or perform such agreement but such payment shall not be a cure in respect of any Lease Event of Default which has occurred as a result of the Lessee's failure to pay such Rent or to perform or comply with such agreement, as the case may be, until the Lessor has been paid the appropriate Supplemental Rent as hereinafter provided and any Indenture Default or Indenture Event of Default caused by such Lease Default or Lease Event of Default has been cured pursuant to Section 603 of the Indenture. The amount of any such payment and the amount of the reasonable expenses of the Lessor incurred in connection with such payment or performance, together with interest thereon, to the extent permitted by applicable law, at the Overdue Rate, shall be deemed Supplemental Rent, payable by the Lessee upon demand. This Section 21 is not, however, intended in any way as between the Owner Participant and the Lessor, on the one hand, and the Indenture Trustee and the Loan Participants, on the other hand, to expand or otherwise vary the cure rights of the Owner Participant and the Lessor set forth in Section 603 of the Indenture, or the limitations on exercise thereof set forth.

SECTION 22. Filings. Prior to the delivery and acceptance of any Railcar (including any Replacement Railcar), the Lessee will, at its sole expense, (i) cause this Lease, the Indenture and the Lease and Indenture Supplement relating to such Railcar to be duly filed and recorded with the ICC in accordance with 49 U.S.C. { 11303 of the Interstate Commerce Act and (ii) cause financing statements under the Uniform Commercial Code to be filed against the Owner Trustee in respect of the security interests created by the Indenture in all places reasonably specified by the Loan Participants as necessary or desirable to perfect such security interests. Within twenty days after the delivery and acceptance of any Railcar, the Lessee will, at its sole cost and expense, cause this Lease and the Indenture (if not heretofore so deposited) and the Lease and Indenture Supplement relating to such Railcar to be deposited with the Registrar General of Canada (notice of such deposit to be forthwith given in The Canada Gazette pursuant to Section 86 of the Railway Act of Canada). The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Indenture Trustee as its assignee under the Indenture for the purpose of protecting the Lessor's title to, or such assignee's security interest in, any Railcar, and in connection with

any such action, will deliver to the Lessor and such assignee proof of such filings. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments.

SECTION 23. Miscellaneous. (a) Amendments. The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the party or parties to be charged.

(b) Successors and Assigns. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Currency. All amounts and moneys referred to in this Lease shall be construed to mean money which at the time is lawful money of the United States of America.

(d) Liabilities of Lessor. CNB is entering into this Lease solely in its capacity as Owner Trustee under the Trust Agreement, and in no case whatsoever shall CNB (or any entity acting as successor Owner Trustee under the Trust Agreement) or the Owner Participant be personally liable on, or for any loss in respect of, any of the statements, representations, warranties, agreements or obligations of the Lessor hereunder, as to all of which the parties hereto agree to look solely to the Trust created by the Trust Agreement.

(e) Descriptive Headings. The descriptive headings of the several sections and paragraphs of this Lease are inserted for convenience of reference only and do not constitute a part of this Lease.

(f) Counterparts. This Lease may be executed by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(g) Severability of Provisions. Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or

render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(h) GOVERNING LAW. THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(i) Consent of Indenture Trustee. To the extent that any provision hereof or of any other Operative Document requires the consent of the Indenture Trustee, such consent shall not be required in the event that the Indenture shall not be in effect.

(j) Quiet Enjoyment. The Lessor hereby recognizes the provisions of Section 14(c) to the Participation Agreement which are hereby incorporated by reference.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be duly executed and delivered by their respective officers thereunto duly authorized.

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Owner Trustee

By 

Name: MICHAEL M. HOPKINS
Title: VICE PRESIDENT

THE B.F. GOODRICH COMPANY

By _____

Name:
Title:

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Lease to be duly executed and delivered by their respective officers thereunto duly authorized.

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as Owner Trustee

By _____
Name:
Title:

THE B.F. GOODRICH COMPANY

By R. A. McMillan *B*
Name: R. A. McMillan
Title: Vice President and Treasurer *g*

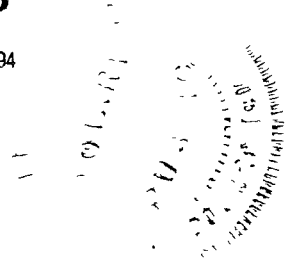
STATE OF Connecticut
: ss.: Hartford
COUNTY OF Hartford)

On this 14th day of November, 1989, before me personally appeared MICHAEL M. HOPKINS to me personally known, who, being by me duly sworn, says that he is Vice President of The Connecticut National Bank, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Michelle K. Blezard
Notary Public


My Commission Expires:

MICHELLE K. BLEZARD
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 1994



STATE OF OHIO)
 : SS.:
CITY OF AKRON)

On this 14th day of November, 1989, before me personally appeared Robert A. McMillan, to me personally known, who, being by me duly sworn, says that he is Vice President and Treasurer of The B.F. Goodrich Company, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

JOAN M. TAFFI, Notary Public
State of Ohio - Resident County, Summit

My Commission Expires:

My Commission Expires 10/16/94

SCHEDULE 1
to
Lease

BASE RENT

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
June 15, 1990	1.73050501
September 15, 1990	1.73050501
December 15, 1990	1.73050501
March 15, 1991	3.04713258
June 15, 1991	1.69976176
September 15, 1991	1.69976176
December 15, 1991	1.69976176
March 15, 1992	3.13936234
June 15, 1992	1.66614708
September 15, 1992	1.66614708
December 15, 1992	1.66614708
March 15, 1993	3.24020637
June 15, 1993	1.62939280
September 15, 1993	1.62939280
December 15, 1993	1.62939280
March 15, 1994	3.35046922
June 15, 1994	1.58920566
September 15, 1994	1.58920566
December 15, 1994	1.58920566
March 15, 1995	3.47103062
June 15, 1995	1.54526505
September 15, 1995	1.54526505
December 15, 1995	1.54526505
March 15, 1996	3.60285246
June 15, 1996	1.49722038
September 15, 1996	1.49722038
December 15, 1996	1.49722038
March 15, 1997	3.74698646
June 15, 1997	1.44468835
September 15, 1997	1.44468835
December 15, 1997	1.44468835
March 15, 1998	3.90458257
June 15, 1998	1.38724982
September 15, 1998	1.38724982
December 15, 1998	1.38724982

<u>Payment Date</u>	<u>Percentage of Lessor's Cost</u>
March 15, 1999	5.90770874
June 15, 1999	1.30561239
September 15, 1999	1.30561239
December 15, 1999	1.30561239
March 15, 2000	6.15262101
June 15, 2000	1.23651130
September 15, 2000	1.23651130
December 15, 2000	1.23651130
March 15, 2001	6.35992430
June 15, 2001	1.16397235
September 15, 2001	1.16397235
December 15, 2001	1.16397235
March 15, 2002	6.57754114
June 15, 2002	1.08740901
September 15, 2002	1.08740901
December 15, 2002	1.08740901
March 15, 2003	6.80723115
June 15, 2003	0.99454268
September 15, 2003	0.99454268
December 15, 2003	0.99454268
March 15, 2004	7.08583015
June 15, 2004	0.89624405
September 15, 2004	0.89624405
December 15, 2004	0.89624405
March 15, 2005	7.38072605
June 15, 2005	0.74483139
September 15, 2005	0.74483139
December 15, 2005	0.74483139
March 15, 2006	7.83496401
June 15, 2006	0.57927680
September 15, 2006	0.57927680
December 15, 2006	0.57927680
March 15, 2007	8.33162780
June 15, 2007	0.39825940
September 15, 2007	0.39825940
December 15, 2007	0.39825940
March 15, 2008	8.87467999
June 15, 2008	10.06945819
September 15, 2008	0.00000000
December 15, 2008	0.00000000
March 15, 2009	<u>0.00000000</u>

LEASE AND INDENTURE SUPPLEMENT NO. ____

Dated _____, 19__

Among

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity but solely as trustee,
Lessor/Owner Trustee,

THE B.F. GOODRICH COMPANY,
Lessee

and

CONTINENTAL BANK, NATIONAL ASSOCIATION,
not in its individual capacity but solely as trustee,
Indenture Trustee

____ ACF 100-TON COVERED HOPPER CARS

ALL RIGHT, TITLE AND INTEREST IN AND TO THIS LEASE AND INDENTURE SUPPLEMENT AND TO THE RAILCARS COVERED HEREBY ON THE PART OF THE CONNECTICUT NATIONAL BANK, AS OWNER TRUSTEE, HAS BEEN ASSIGNED TO AND IS SUBJECT TO A LIEN AND SECURITY INTEREST IN FAVOR OF CONTINENTAL BANK, NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE UNDER AN INDENTURE AND SECURITY AGREEMENT DATED AS OF OCTOBER 30, 1989. TO THE EXTENT, IF ANY, THAT THIS LEASE AND INDENTURE SUPPLEMENT NO. ____ CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN THIS LEASE AND INDENTURE SUPPLEMENT NO. ____ MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN THE ORIGINAL COUNTERPART THAT CONTAINS THE RECEIPT THEREFOR EXECUTED BY CONTINENTAL BANK, NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE, ON THE SIGNATURE PAGE THEREOF.

FILED WITH THE INTERSTATE COMMERCE COMMISSION PURSUANT TO
49 U.S.C. { 11303 ON _____, 19__
AT ____:____ RECORDATION NUMBER ____

THIS LEASE AND INDENTURE SUPPLEMENT NO. __, dated _____, 19__, among THE CONNECTICUT NATIONAL BANK, a national banking association, not in its individual capacity but solely as Owner Trustee ("Lessor" or "Owner Trustee") under that certain Trust Agreement dated as of October 30, 1989 (the "Trust Agreement") with CROSSLAND SAVINGS, FSB, THE B.F. GOODRICH COMPANY, a New York corporation ("Lessee") and CONTINENTAL BANK, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely As Indenture Trustee (the "Indenture Trustee").

W I T N E S S E T H :

WHEREAS, Lessor, Lessee and the Indenture Trustee have, with the other parties thereto, heretofore entered into a Participation Agreement (the "Participation Agreement"), Lessor and Lessee have heretofore entered into a Lease Agreement (the "Lease"), and the Indenture Trustee and Owner Trustee have heretofore entered into an Indenture and Security Agreement (the "Indenture"), each dated as of October 30, 1989 (capitalized terms used herein without definitions having the respective meanings set forth in Schedule X to the Lease);

WHEREAS, the Participation Agreement and the Lease provide that on each Closing Date the Lessee shall deliver to Owner Trustee a Bill of Sale dated such date by which the Lessee bargains, conveys, assigns, sets over, sells and delivers to Owner Trustee, and Owner Trustee purchases and accepts from the Lessee, the Railcars to be conveyed on such Closing Date, and said Bill of Sale has been delivered by the Lessee and accepted by Owner Trustee on such Closing Date;

WHEREAS, the Participation Agreement, the Lease, and the Indenture provide for the execution of a Lease and Indenture Supplement substantially in the form hereof for the purposes of leasing the Railcars under the Lease as and when delivered by the Lessor to the Lessee in accordance with the terms thereof and subjecting such Railcars to the lien of the Indenture;

NOW, THEREFORE, in consideration of the premises and for good and sufficient consideration, the Lessor, the Lessee and the Indenture Trustee hereby agree as follows:

1. The Lessor hereby delivers and leases to Lessee, and Lessee hereby accepts and leases from Lessor, under the Lease as hereby supplemented, the Railcars listed on Schedule 1 hereto.

2. The Lessee hereby confirms to Lessor that Lessee has accepted such Railcars for all purposes hereof and of the Lease.

3. The aggregate Lessor's Cost of the Railcars leased hereunder is [\$_____] and the amounts comprising such Lessor's Cost and the Lessor's Cost of each Railcar leased hereunder are set forth on Schedule 1 hereto. The Stipulated Loss Values and Termination Values for the Railcars leased hereunder are set forth respectively, on Schedules 2 and 3 hereto.

4. The Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease and Indenture Supplement No. __, on each Payment Date to pay Basic Rent to the Lessor for each Railcar leased hereunder as provided for in the Lease.

5. In order to secure the prompt payment of the principal of and Premium, if any, and interest on the Notes issued on the date hereof and on the other Notes, Lessor has granted, conveyed, pledged, sold, mortgaged, assigned, transferred and set over a security interest unto the Indenture Trustee in (i) the Railcars listed on Schedule 1 hereto and (ii) the Lease and this Lease and Indenture Supplement No. __, in each case excluding Excepted Property and Excepted Rights, to have and to hold unto the Indenture Trustee and its successors and its assigns for its and their own use and benefit forever.

6. All of the provisions of the Lease and the Indenture are hereby incorporated by reference in this Lease and Indenture Supplement No. __ to the same extent as if fully set forth herein.

7. This Lease and Indenture Supplement No. __ may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

8. THIS LEASE AND INDENTURE SUPPLEMENT NO. __ IS BEING DELIVERED IN THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

IN WITNESS WHEREOF, Lessor, Lessee and Indenture
Trustee have caused this Lease and Indenture Supplement
No. ___ to be duly executed on the date and year set forth in
the opening paragraph hereof.

Lessor/Owner Trustee

THE CONNECTICUT NATIONAL BANK,
not in its individual capa-
city but solely as Owner
Trustee

By _____
Name:
Title:

Lessee

THE B.F. GOODRICH COMPANY

By _____
Name:
Title:

Indenture Trustee

CONTINENTAL BANK, NATIONAL
ASSOCIATION,
not in its individual capac-
ity but solely as Indenture
Trustee

By _____
Name:
Title:

Receipt of this original
counterpart of this Lease and
Indenture Supplement No. ___ is
hereby acknowledged this ___th
day of _____, 19__.

CONTINENTAL BANK, NATIONAL
ASSOCIATION,
as Indenture Trustee

By _____
Name:
Title: 3/

3/ Language to appear in original counterpart only.

STATE OF)
 : ss.:
COUNTY OF)

On this ___th day of _____, 19____, before me personally appeared _____, to be personally known, who, being by me duly sworn, says that he is _____ of The Connecticut National Bank, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission Expires:

STATE OF)
 : ss.:
CITY OF)

On this ___th day of _____, 19___, before me personally appeared _____, to be personally known, who, being by me duly sworn, says that he is _____ of The B.F. Goodrich Company, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission Expires:

STATE OF)
 : ss.:
COUNTY OF)

On this __th day of _____, 19__, before
me personally appeared _____, to be personally
known, who, being by me duly sworn, says that she is
_____ of Continental Bank, National
Association, that said instrument was signed and sealed on
behalf of said corporation by authority of its Board of
Directors and she acknowledged that the execution of the
foregoing instrument was the free act and deed of said
corporation.

Notary Public

My Commission Expires:

SCHEDULE 1

SCHEDULE OF RAILCARS TO BE DELIVERED

<u>Quantity</u> <u>of Railcars</u>	<u>Serial</u> <u>Numbers</u>	<u>Lessor's</u> <u>Cost Per</u> <u>Unit</u>	<u>Aggregate</u> <u>Lessor's</u> <u>Cost</u>
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SCHEDULE 2
to
Lease and Indenture
Supplement No.

STIPULATED LOSS VALUE

If the event giving rise to an obligation to pay Stipulated Loss Value occurs and the actual date as of which the Owner Participant shall incur Federal income tax consequences shall be earlier or later than the date assumed in originally calculating the applicable Stipulated Loss Value, such value shall be appropriately adjusted, based upon the date as of which the Owner Participant incurred such tax consequences but otherwise on the same assumptions used to calculate the following values. In any case where Stipulated Loss Value shall be payable, there shall be added to the amount determined pursuant to the following schedule, the amount of Premium, if any, payable in respect of the Notes.

Notwithstanding any provision in the Lease to the contrary, the parties hereto acknowledge and agree that the following table of Stipulated Loss Value percentages has been calculated without regard to payment of Basic Rent as of the applicable Payment Date.

<u>Payment Date</u>	Percentage of <u>Lessor's Cost</u> ^{4/}
---------------------	--

^{4/} In addition to the percentages set forth herein, Stipulated Loss Values shall be increased to include an amount equal to the Premium, if any.

SCHEDULE 3
to
Lease and Indenture
Supplement No.

TERMINATION VALUE

If the event giving rise to an obligation to pay Termination Value occurs and the actual date as of which the Owner Participant shall incur Federal income tax consequences shall be earlier or later than the date assumed in originally calculating the applicable Termination Value, such value shall be appropriately adjusted, based upon the date as of which the Owner Participant incurred such tax consequences but otherwise on the same assumptions used to calculate the following values. In any case where Termination Value shall be payable, there shall be added to the amount determined pursuant to the following schedule, the amount of any Premium, if any, payable in respect of the Notes.

Notwithstanding any provision in the Lease to the contrary, the parties hereto acknowledge and agree that the following table of Termination Value percentages has been calculated without regard to payment of Basic Rent as of the applicable Payment Date.

Payment Date

Percentage of
Lessor's Cost^{5/}

^{5/} In addition to the percentages set forth herein, Stipulated Loss Values shall be increased to include an amount equal to the Premium, if any.

SCHEDULE X

DEFINITIONS

"AAR" shall mean the Association of American Railroads.

"Act" shall have the meaning assigned in Section 102 of the Indenture.

"Additional Notes" shall have the meaning assigned in Section 301 of the Indenture.

"Affiliate" of any specified Person shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"After-Tax Basis", for purposes of all of the Operative Documents other than the Tax Indemnification Agreement, shall have the meaning assigned in Section 13.3 of the Participation Agreement and, for purposes of the Tax Indemnification Agreement, shall have the meaning assigned in Section 11 thereof.

"Aggregate Commitment" shall mean, in the case of each Loan Participant, the aggregate amount of the loans to be made by such Loan Participant on all of the Closing Dates pursuant to Section 2 of the Participation Agreement and, in the case of the Owner Participant, the aggregate amount of the investment to be made by the Owner Participant on all of the Closing Dates pursuant to Section 3 of the Participation Agreement.

"Aggregate Percentage Commitment" of each Loan Participant shall mean the percentage set forth opposite such Loan Participant's name in Schedule 1 to the Participation Agreement.

"Amortization Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Applicable Law" shall mean all applicable laws, judgments, decrees, injunctions, writs and orders of any

court, governmental agency or authority and rules, regulations, orders, directives, licenses and permits of any governmental body, instrumentality, agency or authority (including the AAR), including without limitation, all rules and regulations of the United States Department of Transportation and the ICC and the current Interchange Rules or Supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time.

"Appraisal" shall have the meaning specified in Section 5(b) of the Participation Agreement.

"Appraisal Procedure" shall mean the procedure specified in the succeeding sentences for determining an amount or value. If either the Owner Trustee (or the Owner Participant) or the Lessee shall give written notice to the other requesting determination of such amount or value by appraisal (the "Appraisal Request Date"), the Owner Participant and the Lessee shall consult for the purpose of appointing a mutually acceptable qualified Independent Appraiser. If such parties shall be unable to agree on an appraiser within 20 days of the Appraisal Request Date, such amount or value shall be determined by a panel of three Independent Appraisers, one of whom shall be selected by the Lessee, another of whom shall be selected by the Owner Participant and the third of whom shall be selected by such other two Appraisers or, if such Appraisers shall be unable to agree upon a third Appraiser within 10 days of the selection date of the second of such two Appraisers, by the American Arbitration Association; provided, that if either party shall not select its Appraiser within 35 days after the Appraisal Request Date, such amount or value shall be determined solely by the Appraiser selected by the other party. The Appraiser or Appraisers appointed pursuant to the foregoing procedure shall be instructed to determine such amount or value within 45 days after the final appointment of any Appraiser pursuant hereto (but in no event may such determination be made more than 110 days following the Appraisal Request Date), and such determination shall be final and binding upon the parties. If three Appraisers shall be appointed, (a) if the median of the determinations of the Appraisers shall equal the mean of such determinations, such mean shall constitute the determination of the Appraisers, otherwise (b) the determination of the Appraiser that shall differ most from the other two Appraisers shall be excluded, the remaining two determinations shall be averaged and such average shall constitute the determination of

the Appraisers. Fees and expenses relating to an Appraisal Procedure shall be payable as follows:

(i) if the Appraisal Procedure is utilized in connection with the exercise of remedies upon the occurrence of a Lease Event of Default under the Lease, all such fees and expenses shall be borne by the Lessee; and

(ii) in all other instances, each party shall bear (A) its respective fees and expenses with respect to any Appraisal Procedure and (B) one-half of the fees and expenses of the Appraisers participating in any Appraisal Procedure.

"Appraiser" shall mean B. Royce Green Associates in the case of the Appraisal delivered pursuant to Section 5(b) of the Participation Agreement and otherwise a Person engaged in the business of appraising property who may be employed by or affiliated with the Owner Trustee, the Owner Participant or the Lessee.

"Assumed Rate" shall have the meaning assigned in the Tax Indemnification Agreement.

"Authorized Person" shall mean (i) in respect to the Owner Trustee, any Person authorized by or pursuant to the organizational documents, the by-laws or any Board Resolution of the institution acting as Owner Trustee (whether general or specific) to execute, deliver and take all other actions on behalf of the Owner Trustee in respect of any of the Operative Documents and (ii) with respect to any other entity, any Person authorized by or pursuant to the charter documents, the by-laws or any Board Resolution (in the case of a corporation), partnership agreement (in the case of a partnership), or trust agreement (in the case of a trust) to execute, deliver and take all other actions on behalf of such entity in respect of any of the Operative Documents.

"Average Life" with respect to the Series A Notes shall mean 13.5 years plus or minus 0.5 years.

"Basic Rent" shall mean the rent payable throughout the Lease Term pursuant to, and computed in accordance with, Section 9(b) of the Lease.

"Basic Term" with respect to any Railcar shall mean the period beginning on the Basic Term Commencement

Date and ending at 11:59 P.M. (New York City time) on the 19th anniversary of the Basic Term Commencement Date.

"Basic Term Commencement Date" shall mean March 15, 1990.

"Bill of Sale" shall mean each bill of sale of the Lessee, dated the relevant Closing Date, for the Railcars being delivered on such Closing Date.

"BOA" shall mean Bank of America National Trust and Savings Association.

"Board of Directors" shall mean, with respect to any Person, either the board of directors of such Person or any duly authorized committee of said board.

"Board Resolution" shall mean, with respect to any Person, a copy of a resolution certified by the secretary or an assistant secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification.

"Business Day" shall mean any day other than a Saturday or Sunday or other day on which the banks in New York, New York, Hartford, Connecticut or Chicago, Illinois are authorized or obligated to remain closed.

"Business Tax" shall have the meaning assigned in Section 13.2(b) of the Participation Agreement.

"Capitalization Ratio" as of any date of determination shall mean the quotient, expressed as a ratio, of (x) Lessee's (or a successor entity's or transferee's) long term debt and capital leases over (y) the sum of Lessee's (or such successor entity's or transferee's) long-term debt and capital leases plus all equity capital of Lessee (or such successor entity or transferee), all as determined in accordance with generally accepted accounting principles.

"Closing" with respect to any Railcar shall mean the delivery of such Railcar to and acceptance by or on behalf of the Owner Trustee from the Lessee pursuant to the Participation Agreement and the delivery of such Railcar by the Owner Trustee to and acceptance by the Lessee pursuant to the Lease and Indenture Supplement delivered in connection therewith as provided in the Participation Agreement and Section 2 of the Lease.

"Closing Date" shall mean each date, which shall be a Business Day, on which a Closing occurs, provided that in no event shall the first Closing occur later than December 31, 1989 or the second Closing occur later than March 15, 1990.

"Closing Notice" shall have the meaning assigned in Section 4(a) of the Participation Agreement.

"CNB" shall mean The Connecticut National Bank in its individual capacity and not as Owner Trustee.

"Code" shall mean the Internal Revenue Code of 1986, as amended (or any successor federal income tax statute).

"Commitment" shall mean in the case of each Loan Participant on a given Closing Date, the amount of the loan to be made by such Loan Participant on such Closing Date pursuant to Section 2 of the Participation Agreement and, in the case of the Owner Participant on a given Closing Date, the amount of the investment to be made by the Owner Participant on such Closing Date pursuant to Section 3 of the Participation Agreement.

"Connell" shall mean Connell Finance Company, Inc.

"Current Cost" shall have the meaning assigned in the Tax Indemnification Agreement.

"Deemed Last Utilized Credits" shall have the meaning assigned in Section 13.2(h) of the Participation Agreement.

"Depreciation Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any comparable successor law and the rules issued and regulations promulgated thereunder.

"Event of Loss" shall mean with respect to any Railcar any of the following events occurring during the Lease Term: (i) such Railcar suffers an actual or constructive total loss, (ii) such Railcar suffers destruction, damage or contamination beyond economic repair or such Railcar is rendered permanently unfit for commercial use by the

Lessee and for the purpose for which it was designed, as determined in good faith by the Lessee and evidenced by a certificate of the Treasurer or Assistant Treasurer of the Lessee to such effect, (iii) such Railcar is taken, condemned or requisitioned for title by any governmental authority, (iv) such Railcar is taken, condemned or requisitioned for use (a) by any governmental authority in the United States for a period extending beyond eighteen months or (b) by any other governmental authority for a period extending beyond nine months or (c) by any governmental authority for a period extending beyond the Lease Term or (v) such Railcar is lost, stolen or otherwise disappears. The date of such Event of Loss shall be the date of such loss, damage, contamination, condemnation, taking, requisition or disappearance, except that for purposes of an event specified in sub-clauses (a) or (b), respectively, of clause (iv) above, no Event of Loss shall be deemed to have occurred until the earlier of (1) the last day of the Lease Term and (2) eighteen months, in the case of sub-clause (a), or nine months, in the case of sub-clause (b), after the date of such taking, condemnation or requisition, and except that for purposes of an event specified in sub-clause (c) of clause (iv) above, no Event of Loss shall be deemed to have occurred until the earlier of (1) the last day of the Lease Term and (2) the Lessee's declaration of the occurrence of an Event of Loss at any time following twelve months after such taking or requisition.

"Excepted Property" shall have the meaning assigned in the Granting Clauses of the Indenture.

"Excepted Rights" shall have the meaning assigned in the Granting Clauses of the Indenture.

"Excess Rate" shall mean a rate of interest per annum equal to the excess, if any, of 9.34% per annum over the Treasury Yield.

"Fair Market Rental Value" for any Railcar shall mean, for any period, the rent for such Railcar (excluding any Severable Improvements title to which has vested in the Lessee but assuming that such Railcar complies with Section 5 of the Lease) for such period that would be obtained for a lease of such Railcar in an arm's-length transaction between an informed and willing owner under no compulsion to lease and an informed and willing lessee, which determination shall be made (i) without deduction for any costs of removal of such Railcar from the location of current use and (ii) on

the assumption that such Railcar is free and clear of all liens and is in the condition and repair in which it is required to be returned pursuant to Sections 2 and 5 of the Lease (but otherwise on an "as-is" basis); provided, however, that the determination of Fair Market Rental Value for the purposes of Section 15(b) of the Lease shall be based on the actual condition of such Railcar at the time of such determination and shall take into account all liens on such Railcar and any legal impediments to the prompt leasing of such Railcar, notwithstanding the provisions of clause (ii) of this sentence.

"Fair Market Sale Value" for any Railcar shall mean the sale value of such Railcar (excluding any Severable Improvements title to which has vested in the Lessee) that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer-user, which determination shall be made (i) without deduction for any costs of removal of such Railcar from the location of current use and (ii) on the assumption that such Railcar is free and clear of all liens and is in the condition and repair in which it is required to be returned pursuant to Sections 2 and 5 of the Lease (but otherwise on an "as-is" basis); provided, however, that the determination of Fair Market Sale Value for the purposes of Section 15(c) of the Lease shall be based on the actual condition of such Railcar at the time of such determination and shall take into account all liens on such Railcar (other than Owner Encumbrances), and any legal impediments to the prompt transfer of title to such Railcar, notwithstanding the provisions of clause (ii) of this sentence.

"Federal Bankruptcy Code" shall mean the Bankruptcy Code of 1978, as amended, 11 U.S.C. §§ 101-1330.

"Final Determination" shall have the meaning assigned in the Tax Indemnification Agreement.

"Future Benefits" shall have the meaning assigned in the Tax Indemnification Agreement.

"Holder" shall mean the Person in whose name any Note is registered on the Note Register.

"Home Jurisdiction" shall have the meaning assigned in Section 13.4 of the Participation Agreement.

"ICC" shall mean the Interstate Commerce Commission and any agency or instrumentality of the United States government succeeding to its functions.

"Improvement" shall mean an improvement, structural change, modification or addition to any Railcar made after the relevant Closing Date.

"Inclusion" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnatee" shall have the meaning assigned in Section 13.1 of the Participation Agreement.

"Indemnity Loan" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnity Loan Interest Rate" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnity Loan Principal" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnity Loan Repayment Amounts" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indemnity Loan Repayment Date" shall have the meaning assigned in the Tax Indemnification Agreement.

"Indenture" shall mean the Indenture and Security Agreement dated as of October 30, 1989 between the Owner Trustee and the Indenture Trustee and substantially in the form of Exhibit B to the Participation Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Participation Agreement.

"Indenture Default" shall mean an event or condition which, with the giving of notice or lapse of time, or both, would become an Indenture Event of Default.

"Indenture Estate" shall have the meaning assigned in the Recital Clause of the Indenture.

"Indenture Event of Default" shall mean any of the events specified in Section 601 of the Indenture.

"Indenture Trustee" shall mean Continental Bank, National Association, a national banking association, together with any successors, permitted assigns and separate trustees and co-trustees as Indenture Trustee under the Indenture.

"Independent" shall mean, when used with respect to any specified Person, such a Person who (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in CNB, the Owner Trustee, the Owner Participant, Continental Bank, the Indenture Trustee, any Loan Participant or the Lessee or in any Affiliate of any of them and (3) is not connected with any Loan Participant, the Owner Participant or the Lessee or any such Affiliate as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person's opinion or certificate shall be furnished to the Indenture Trustee, such Person shall be appointed by the Lessee and approved by the Indenture Trustee in the exercise of reasonable care and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning thereof.

"Initial Closing Date" shall mean the date of the first Closing under the Participation Agreement as the parties thereto may agree.

"Interest Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Interim Amount" shall have the meaning assigned in Section 9(b)(v)(i) of the Participation Agreement.

"Interim Rent" shall mean the rent payable on the Basic Term Commencement Date pursuant to Section 9(a) of the Lease.

"Interim Term" shall mean for any Railcar the period from the relevant Closing Date to and including the day immediately preceding the Basic Term Commencement Date.

"Interstate Commerce Act" shall mean the Interstate Commerce Act, as amended.

"Lease" shall mean the Lease Agreement dated as of October 30, 1989 and substantially in the form of Exhibit C to the Participation Agreement between the Lessee and the

Owner Trustee, as lessor, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

"Lease Default" shall mean an event or condition which, with the giving of notice or lapse of time, or both, would constitute a Lease Event of Default.

"Lease Event of Default" shall mean any of the events specified in Section 14 of the Lease.

"Lease and Indenture Supplement" shall mean each Lease and Indenture Supplement among the Owner Trustee, the Lessee and the Indenture Trustee, dated the relevant Closing Date, substantially in the form of Exhibit A to the Lease.

"Lease Term" shall mean the Interim Term plus the Basic Term and the Renewal Term, if any.

"Lessee" shall mean The B.F. Goodrich Company, a New York corporation, together with its successors and permitted assigns.

"Lessee Act or Omission" shall have the meaning assigned in the Tax Indemnification Agreement.

"Lessee Related Party" shall have the meaning assigned in the Tax Indemnification Agreement.

"Lessor's Cost" for each Railcar shall be the amount specified therefor in Schedule 1 to the Lease and Indenture Supplement relating thereto, provided that in no event shall the average Lessor's Cost per Railcar subjected to the Lease on all Closing Dates thereunder exceed \$55,500.

"Liabilities" shall have the meaning assigned in Section 13.1 of the Participation Agreement.

"Lining Purchase Order" shall mean the letter to the Lessee from Tank Lining and Rail Car Repair Company dated February 1, 1989 and the related documentation related to the provision of lining services in connection with the railcars subject to the Purchase Order.

"Loan Participant" shall mean each of the financial institutions listed as a Loan Participant in Schedule 1 to the Participation Agreement, so long as the Series A

Notes are Outstanding, and each other Holder of a Note from time to time, and their respective successors and assigns.

"Loss of Amortization Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Loss of Depreciation Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Loss of Interest Deductions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Loss of Tax Benefits" shall have the meaning assigned in the Tax Indemnification Agreement.

"MACRS Property" shall have the meaning assigned in the Tax Indemnification Agreement.

"Manufacturer" shall mean each of ACF Industries, Incorporated, and Trinity Railcar Inc., as successor to Tank Lining and Railcar Repair Company, as the case may be, together with their respective successors and permitted assigns.

"Manufacturer's Consent and Agreement" shall mean each of the Consents and Agreements, dated as of October 30, 1989, executed by ACF Industries, Incorporated and Trinity Railcar, Inc., as successor to Tank Lining and Railcar Repair Company.

"Net Return" shall mean the Owner Participant's nominal after-tax book yield, total after-tax cash flows, internal rate-of-return as calculated by it and after-tax cash flows as a percentage of equity, all calculated using the same assumptions and methods utilized by the Owner Participant in computing the schedules of Basic Rent, Stipulated Loss Values and Termination Values delivered on the Initial Closing Date (or if such schedules are adjusted pursuant to Section 9(e) or (f) of the Lease, in computing such adjusted schedules) and, when used in connection with an adjustment pursuant to Section 9(f)(iii) of the Lease relating to a refinancing, shall also be calculated so as to preserve the Owner Participant's aggregate book earnings attributable to the transactions contemplated by the Participation Agreement (determined as above provided) over the five year period preceding such adjustment.

"Nonseverable Improvement" shall mean, at any time, (i) an Improvement that shall not be "readily removable from a Railcar without causing material damage to such Unit" within the meaning of Revenue Procedure 75-21 promulgated by the Internal Revenue Service or other similar law, regulation or procedure then in effect or (ii) any Improvement required by Applicable Law.

"Non-U.S. Person" shall mean any Person other than (i) a citizen or resident of the United States, as defined in section 7701(a)(9) of the Code (for purposes of this definition, the "United States"), (ii) a corporation, partnership or other entity created or organized under the laws of the United States or any political subdivision thereof or therein or (iii) any estate or trust that is subject to United States Federal income taxation regardless of the source of its income.

"Note Register" shall have the meaning assigned in Section 204 of the Indenture.

"Notes" shall have the meaning specified in the Indenture and more particularly includes the Series A Notes issued on each Closing Date and any other Notes authenticated and delivered under the Indenture.

"Notice" shall have the meaning assigned in Section 19 of the Participation Agreement.

"Obligations" shall have the meaning assigned in the Recital clause of the Indenture.

"Officer's Certificate" shall mean with respect to any Person, a certificate signed by the Chairman of the Board, the President or a Vice President of such Person or any Authorized Person of such Person.

"Operative Documents" shall mean the Participation Agreement, the Trust Agreement, the Indenture, the Series A Notes, the Lease, each Lease and Indenture Supplement, each Bill of Sale, the Purchase Order, the Lining Purchase Order, the Manufacturer's Consents and Assignments and the Tax Indemnification Agreement.

"Opinion of Counsel" shall mean a written opinion of counsel, who shall be acceptable to the Person to whom such opinion is to be addressed pursuant to any of the Operative Documents.

"Outstanding" when used with respect to the Notes shall mean, as of the date of determination, all the Notes theretofore authenticated and delivered under the Indenture, except:

(1) Notes theretofore cancelled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(2) Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with the Indenture Trustee, provided, that, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Indenture Trustee has been made;

(3) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered under the Indenture; and

(4) Notes alleged to have been destroyed, lost or stolen which have been paid as provided in Section 205 of the Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Notes Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Owner Participant, the Owner Trustee or the Lessee, or any Affiliate of any of them, shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Indenture Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that the Indenture Trustee knows to be so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Indenture Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Owner Participant, the Owner Trustee or the Lessee, or any Affiliate of any of them.

"Overdue Rate" shall mean with respect to (i) any amount (other than any amount constituting Excepted Property), a rate per annum equal to 11.34%, and (ii) any amount constituting Excepted Property, the Prime Rate plus 2% in

each case computed on the basis of a 360-day of twelve 30-day months.

"Owner Encumbrances" shall mean any liens, security interests or encumbrances against any part of the Indenture Estate or the Trust Estate that result from acts of, or any failure to act by, or as a result of claims (including any taxes) against CNB, the Owner Trustee or the Owner Participant arising out of any event or condition unrelated to (x) the ownership of a Railcar, (y) the administration of the Trust Estate or (z) the transactions contemplated by the Operative Documents, excluding liens, security interests and encumbrances arising from any tax for which the Lessee is obligated to indemnify under the Tax Indemnification Agreement or the Participation Agreement, other than any such tax for which the Lessee has already made full indemnification pursuant to such agreements.

"Owner Participant" shall mean CrossLand Savings, FSB, a federal savings bank organized under the laws of the United States, together with its successors and permitted assigns.

"Owner Trustee" shall mean The Connecticut National Bank, a national banking association organized under the laws of the United States, in its capacity as trustee under the Trust Agreement, together with its successors and permitted assigns as Owner Trustee under the Trust Agreement.

"Owner Trustee Request" shall mean a written request signed in the name of the Owner Trustee by an Authorized Person, consented to by the Lessee, and delivered to the Indenture Trustee together with a form of any writing to be executed by the Indenture Trustee pursuant to such request.

"Participants" shall mean, collectively, the Loan Participants and the Owner Participant.

"Participation Agreement" shall mean the Participation Agreement dated as of October 30, 1989, among the Lessee, the Owner Participant, the Loan Participants, the Owner Trustee and the Indenture Trustee, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

"Payment Date" shall initially mean June 15, 1990 and each March 15, June 15, September 15 and December 15 thereafter of each year occurring during the Basic Term or the Renewal Term, provided that if any such date shall not

be a Business Day, then "Payment Date" shall mean the next succeeding Business Day.

"Percentage Commitment" of each Participant in respect of the Railcars shall mean the percentage set forth opposite such Participant's name in Schedule 1 to the Participation Agreement.

"Permitted Contest" shall mean a good faith contest, of which any Person receives adequate information, of (i) the legality or validity of any of the taxes, assessments, levies, fees or other governmental charges, or other claims, liens or impositions which, under the terms of the Participation Agreement or the Lease are required to be paid or discharged by the Lessee, the Owner Trustee or the Owner Participant, as the case may be, but for such contest, or (ii) the legality, validity or necessity for compliance with any Applicable Law of the jurisdiction in which any Railcar is located or the need for compliance with acts, rules, permits, regulations or orders of any commissions, boards or other legislative, executive or judicial bodies or officers; provided that any such good faith contest described in clause (i) or (ii) above shall be pursued by appropriate proceedings (including, without limitation, with respect to the posting of necessary bonds or securities) in a manner which will not result in (x) the imposition of any criminal or material civil penalty or lien, material risk of foreclosure, forfeiture, loss or loss of use or sale of, or other adverse effect on any or all of the Trust Estate or the Indenture Estate or the title, property or right therein of, such Indemnified Person, (y) any adverse effect on the applicability or scope or amount of coverage of any of the insurance required to be maintained under Section 10 of the Lease and (z) any material adverse effect on the Owner Participant, the Owner Trustee, any Loan Participant, the Indenture Trustee, any Railcar or the interest of the Lessee, the Owner Trustee, the Owner Participant, the Indenture Trustee or any Loan Participant in such Railcar.

"Permitted Encumbrances" shall mean (a) the rights of the Indenture Trustee under the Indenture, (b) the rights of the Lessee under the Lease, including, without limitation, subleases of and interchange agreements involving any Railcar in accordance with the terms of the Lease, (c) the rights of the Owner Trustee and the Owner Participant under the Trust Agreement, which rights are subject to the liens and security interests created by the Indenture, (d) liens for taxes either not yet due or being contested by the

Lessee by Permitted Contest which do not involve a significant risk of a sale, forfeiture, loss or loss of use of a Railcar and (e) undetermined or inchoate materialmen's, mechanic's, workmen's, repairmen's or employees' liens or other like liens arising in the ordinary course of business and security obligations which are not delinquent or which are being contested by the Lessee by Permitted Contest.

"Permitted Investments" shall mean (i) direct obligations of the United States of America and agencies thereof, (ii) obligations fully guaranteed by the United States of America, certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the States thereof having combined capital and surplus and retained earnings of at least \$500,000,000 (including the Indenture Trustee and the Owner Trustee if such conditions are met) and (iii) commercial paper of companies, banks, trust companies, or national banking associations incorporated or doing business under the laws of the United States of America or one of the States thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization. If all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal Funds from an entity described in (ii) of the preceding sentence.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Premium" shall mean, with respect to the Series A Notes, an amount equal to the excess, if any, of (i) the present value of the payments of principal and interest which would have been due under the Series A Notes from the date of redemption thereof to the final maturity of such Series A Notes had such redemption not occurred, discounted at a rate equal to the Treasury Yield plus twenty-five basis points over (ii) the principal amount of Series A Notes so prepaid; provided, however, that if, at the time of redemption, there shall be no Excess Rate, no Premium shall be due.

"Prime Rate" shall mean the rate of interest publicly announced from time to time by Citibank, N.A. in New York as its "base rate".

"Purchase Order" shall mean Purchase Order No. GH-01-90226 and the related documentation relating to the purchase by the Lessee from the Manufacturer of 380 ACF 100-ton covered hopper railcars.

"Railcar" shall mean a One Hundred Ton CF 5711 Steel Center Flow Covered Hopper Car, manufactured by ACF Industries Incorporated, together with interior lining and any Replacement Railcar subjected to the Lease pursuant to the applicable provisions thereof.

"Reasonable Basis" for a position shall exist if tax counsel may properly advise reporting such position on a tax return in accordance with Formal Opinion 85-352 issued by the Standing Committee on Ethics and Professional Responsibility of the American Bar Association.

"Recapture" shall have the meaning assigned in the Tax Indemnification Agreement.

"Redemption Date" when used with respect to any Note to be redeemed shall mean the date fixed for such redemption pursuant to the Indenture.

"Refinancing Loss" shall have the meaning assigned in the Tax Indemnification Agreement.

"Reimbursement Amount" shall have the meaning assigned in Section 9(b)(vii)(ii) of the Participation Agreement.

"Renewal Rent" shall mean an amount equal to one quarter of the total amount of Basic Rent due under the Lease during the last year of the Basic Term.

"Renewal Term" shall have the meaning assigned in Section 2(d) of the Lease.

"Rent" shall mean Basic Rent, Renewal Rent and Supplemental Rent, collectively.

"Replacement Railcar" shall mean a railcar substantially similar in material, dimension, condition and estimated useful life to the Railcar with respect to which

an Event of Loss has occurred and which is being replaced pursuant to Section 11(c) of the Lease.

"Responsible Officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of any party contained in any Operative Document, the President, or any Vice President, Assistant Vice President, Treasurer, Assistant Treasurer or other officer who in the normal performance of his operational responsibility would have knowledge of such matter and the requirements with respect thereto.

"Repurchase Offer" shall have the meaning specified in Section 17 of the Lease.

"Scheduled Closing Date" shall have the meaning assigned in Section 4(a) of the Participation Agreement.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Series A Notes" shall have the meaning specified in the Indenture.

"Severable Improvement" shall mean any Improvement other than a Nonseverable Improvement.

"Solicitation Date" shall have the meaning specified in Section 17 of the Lease.

"Stated Maturity" when used with respect to any Note or any installment of interest thereon shall mean the date specified in such Note as the fixed date on which the principal of such Note or such installment of interest is due and payable.

"Stipulated Loss Payment Date" shall mean a date upon which payment of Stipulated Loss Value is required to be made by the Lessee pursuant to Section 11 of the Lease.

"Stipulated Loss Value" with respect to any Railcar subjected to the terms of the Lease pursuant to a given Lease and Indenture Supplement as of any Payment Date shall mean, for the Basic Term, an amount determined by multiplying Lessor's Cost for such Railcar by the percentage specified in Schedule 2 to such Lease and Indenture Supplement opposite such Payment Date and, for the Renewal Term, an amount equal to the Fair Market Sale Value of any

such Railcar at the commencement of the Renewal Term, decreasing on a straight-line basis to the Fair Market Sale Value at the expiration of the Renewal Term; provided, however, that, notwithstanding any provision of the Lease (including but not limited to the adjustments to be made pursuant to Section 9 of the Lease), "Stipulated Loss Value" as of any Payment Date, plus the Basic Rent or Renewal Rent in respect of such Railcar payable on such Payment Date (if and to the extent Basic Rent or Renewal Rent is then being paid in arrears) shall in no event be less than, for the Basic Term, a sum sufficient to pay a pro rata portion of the aggregate unpaid principal amount of the Notes Outstanding on such Payment Date together with interest thereon accrued to such Payment Date as determined pursuant to the Indenture and, for the Renewal Term, the amount determined by multiplying Lessor's Cost for such Railcar by the percentage specified in Schedule 2 to such Lease and Indenture Supplement opposite such Renewal Rent Payment Date.

"Supplemental Rent" shall mean any and all amounts (other than Basic Rent), that the Lessee assumes the obligation to pay or agrees to pay under the Lease, the Tax Indemnification Agreement or the Participation Agreement to the Owner Trustee, the Owner Participant or others, including amounts payable as indemnity payments, payments of Stipulated Loss Value and Termination Value under the Lease, Premium on the Notes and all amounts payable by the Lessee pursuant to Section 9 of the Lease.

"Tax" shall have the meaning assigned in Section 13.2(a) of the Participation Agreement.

"Tax Assumptions" shall have the meaning assigned in the Tax Indemnification Agreement.

"Tax Forms" shall have the meaning assigned in Section 13.2(b)(9) of the Participation Agreement.

"Tax Indemnification Agreement" shall mean the Tax Indemnification Agreement dated as of October 30, 1989 between the Lessee and the Owner Participant and substantially in the form of Exhibit E to the Participation Agreement, as the same may be amended, modified or supplemented pursuant to the provisions thereof.

"Tax Indemnatee" shall have the meaning assigned in Section 13.2(a) of the Participation Agreement.

"Tax Representations" shall have the meaning assigned in the Tax Indemnification Agreement.

"Termination Date" shall have the meaning assigned in Section 12(a) of the Lease.

"Termination Value" with respect to any Railcar subjected to the terms of the Lease pursuant to a given Lease and Indenture Supplement as of any Payment Date shall mean an amount determined by multiplying Lessor's Cost for such Railcar by the percentage specified in Schedule 3 to such Lease and Indenture Supplement opposite such Payment Date plus the Premium, if any, payable on such Payment Date; provided, however, that, notwithstanding any provision of the Lease (including but not limited to the adjustments to be made pursuant to Section 9 of the Lease), "Termination Value" as of any Payment Date, plus the Basic Rent in respect of such Railcar payable on such Payment Date (if and to the extent Basic Rent is then being paid in arrears) shall in no event be less than a sum sufficient to pay a pro rata portion of the aggregate unpaid principal amount of the Notes Outstanding on such Payment Date together with interest thereon accrued to such Payment Date and the Premium, if any, as determined pursuant to the Indenture.

"TIA" shall mean the Trust Indenture Act of 1939, as in effect from time to time.

"Transaction Costs" shall have the meaning assigned in Section 17 of the Participation Agreement.

"Transfer" shall have the meaning assigned in Section 22 of the Participation Agreement.

"Treasury Yield" shall mean the yield to maturity implied by the Treasury Constant Maturity Series Yields reported (for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Redemption Date) in Federal Statistical Release H.15 (519) (or any comparable successor publication) for U.S. Treasury obligations having a maturity approximating the remaining Average Life of the Notes.

"Trigger Event" shall have the meaning specified in Section 17 of the Lease.

"Trust Agreement" shall mean the Trust Agreement dated as of October 30, 1989 between CNB and the Owner

Participant and substantially in the form of Exhibit A to the Participation Agreement as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof, of the Indenture and of the Participation Agreement.

"Trust Estate" shall have the meaning assigned to it in Section 1(d) of the Trust Agreement.

"Verifying Accountant" shall mean an accountant, investment advisor, lease broker or vendor selected by the Owner Participant and reasonably acceptable to the Lessee (it being understood that the representation of, or a conflict in representing the Owner Participant or the Lessee is relevant in determining the reasonableness of such acceptance).